Daily Report

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FBIS-EEU-92-021 *31 January 1992*

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Czechoslovakia

CSTK reports that the German Naval Fleet intercepted a German ship transporting Czechoslovak-made tanks destined for Syria. The Foreign Ministry, commenting on the incident, stated that the interception was "in violation" of a law on arms export controls which bans German ships from transporting military materiel. The CSFR Government, according to CSTK, has "distanced itself" from the "affair" saying that a Czechoslovak company concluded a contract with Syria to export 250 tanks under a license "exceptionally granted" by the Czechoslovak Government. The Foreign Ministry spokesman concluded that "the company is reponsible... for the transport."

Poland

PAP reports that on the first day of his vacation in Solina, President Lech Walesa has "taken ill... and is suffering from complications of the respiratory system after a severe virus infection." According to the presidential office, Walesa will be undergoing further treatment and may not be able to attend the 4 February Council of Europe session in Strasbourg.

Yugoslavia

Federal—The Federal Secretariat for National Defense decided to introduce "contract soldiers" to relieve drafting problems in the Yugoslav Peoples' Army, Belgrade TV reports. According to Milos Vuksanovic, "we decided to recruit these soldiers to fill up empty vacancies, to have our units staffed to the level needed for the performance of their combat activities." The First Military District has advertised for "professional snipers, military policemen, saboteurs, tank drivers, decontamination officers, and junior and senior officers," according to Belgrade TV.

Macedonia—The republic adopted a draft law to create a national army. TANJUG reports that "armed forces will be composed of a standing and a reserve army." Defense Minister Trajan Gocevski stated that "the Macedonian national army will number between 25,000 and 30,000 troops."

CSCE Foreign Ministers Continue Meeting in Prague

Havel, Baker Discuss Former USSR States

LD3001171192 Prague Stanice Ceskoslovensko Radio Network in Czech 1200 GMT 30 Jan 92

[Text] The CSCE Council of Foreign Ministers has started its meeting, with Czechoslovakia in the chair, in the Palace of Culture in Prague.

On this morning's schedule was a meeting between President Vaclav Havel and U.S. Secretary of State James Baker. They exchanged views on the current developments in the territories of the former Soviet Union, and the process of economic transformation in Czechoslovakia.

When discussing the present meeting and future prospects of the CSCE, Vaclav Havel mentioned Czechoslovakia's interest in locating the CSCE central institutions in Prague.

Havel, Genscher View Bilateral Treaty

LD3001172792 Berlin ADN in German 1637 GMT 30 Jan 92

[Text] Prague (ADN)—CSFR President Vaclav Havel and Federal Foreign Minister Hans-Dietrich Genscher agree that signing the German-Czechoslovak treaty at the end of February is of great significance. During talks today on the sidelines of the 2d CSCE foreign ministers' conference in Prague, they stressed that the document is of great importance for the development of Europe and opens up a joint and better future for the two peoples. In this connection the federal foreign minister referred to the "important role of progressive economic integration." He thanked Havel for the support which he (Havel) has given to the ideas of the CSCE with his great moral standing, and he acknowledged the "president's historic role in the European freedom movement."

Ukraine Seeks Nuclear Arms Removal Aid

LD3001184892 Prague CSTK in English 1643 GMT 30 Jan 92

[Text] Prague Jan 30 (CSTK)—Ukraine's Foreign Minister Anatoliy Zlenko today said Ukraine would welcome any aid to help it liquidate tactical and strategic nuclear weapons on its soil. He told CSTK he hoped all tactical nuclear weapons would be removed from Ukraine by this July and strategic weapons by the end of 1994. Zlenko said Ukraine's path towards becoming a full-fledged CSCE member "was long and difficult. Together with the other former republics of the Soviet Union we had to overcome many obstacles". Zlenko added that Ukraine, one of the first countries to recognise Slovenia and Croatia, would welcome them as full members of the Helsinki process.

The French minister for European affairs, Elisabeth Guigou, announced that France and Germany proposed at the Prague CSCE meeting today the setting up of an institution that would work to prevent and resolve possible conflicts between CSCE members, as well as other countries. Guigou said at a press conference that a group of experts will be examining the feasibility of such an institution and is expected to report on its activities at a CSCE meeting in March. Guigou pointed out the need to exactly define the activities of international organisation in order to avoid duplication of the efforts.

Italian Foreign Minister Gianni de Michelis today said he is convinced Slovenia and Croatia will soon become full-fledged members of the Helsinki process. He told a news conference here the situation in Yugoslavia's successor states differs from that in the former Soviet republics and that therefore Slovenia and Croatia were granted only observer status.

Ganev Stresses Collective Security Role

AU3001193892 Sofia BTA in English 1923 GMT 30 Jan 92

[Text] Prague, January 30 (BTA)—Bulgarian Foreign Minister Stoyan Ganev made a statement at the meeting of the foreign ministers of the CSCE member-countries which opened in Prague today. He said that "if the CSCE wishes not only to be adequate to the new realities but also to form them in compliance with the democratic values it should seek an optimum interrelation between the functions and the mechanisms of the Europe-wide process and the other institutions forming the new European and world structure." Dwelling on the critical situations which emerged in some regions of the continent over the last two years, Foreign Minister Ganev said that "the working out of mechanisms capable of turning the CSCE into a viable political body will consolidate collective security."

The CSCE will naturally continue to play an important role as regards the military and political aspects of European security and stability, Mr. Ganev said. It remains the only all-embracing forum for European security negotiations. The concentration of the CSCE on the problems of security, on preventing and overcoming critical situations and conflicts is indicative of a flexibility and at the same time creates preconditions for the functional integration of the CSCE with the other institutions and organizations of the new Euro-Atlantic structure.

Turkey's Cetin Addresses Meeting

TA3001203292 Ankara TRT Television Network in Turkish 1800 GMT 30 Jan 92

[Text] Foreign Minister Hikmet Cetin has declared that with the addition of the 10 former Soviet republics, the CSCE has become a larger community based on democracy, law, and the market economy, which marks a turning point in the organization's history.

Cetin addressed the CSCE foreign ministers meeting in Prague on behalf of Turkey and Turkmenia, which was

unable to send a representative to the meeting. In his speech, Cetin declared that Turkey is ready to make every possible contribution to ensure that the new members are integrated into the CSCE process as soon as possible. Referring to the disputes in the Caucasus, the foreign minister explained that CSCE principles such as respect for territorial integrity will contribute to the establishment of stability in this region.

Commenting on racist tendencies emerging in Europe, Cetin remarked that the CSCE could play a role in preventing such developments that damage human integrity. The foreign minister recalled that CSCE has become one of the main factors in the reconstruction of Europe, adding that Turkey supports the strengthening of the organization.

Slovenia: SFRY Membership 'Controversial'

LD3001210292 Prague CSTK in English 1411 GMT 30 Jan 92

[Text] Prague Jan 30 (CSTK)—Slovenian Foreign Minister Dimitrij Rupel today said Yugoslavia's participation in the Conference on Security and Cooperation in Europe [CSCE] is controversial. He pointed out that Serbia still presents itself in the CSCE process as Yugoslavia. "Serbia hopes the process of Yugoslavia's disintegration to be reversible," he said but added Yugoslavia will leave the Helsinki Process soon anyway.

Slovenia together with Croatia were granted CSCE observer status, under a decision of the CSCE foreign minister' council at the beginning of its 2nd meeting which started today.

Croatia's Separovic on UN Troops Decision

LD3001212892 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1730 GMT 30 Jan 92

[Report on interview with Croatian Foreign Minister Zvonimir Separovic by correspondents Martina Balasova and Boris Gandel at CSCE foreign ministers meeting in Prague on 30 January; Separovic speaks in English with superimposed Slovak translation—recorded]

[Excerpt] [Gandel] [passage omitted] We were interested, among others, in the news conference Croatian Foreign Minister Zvonimir Separovic gave. He said that he had received reports that Russia and Turkey are going to recognize his country, and that the United States, too, is considering a similar step. He spoke highly of his talks today with Italian Foreign Minister Gianni de Michelis, with whom he signed an agreement on the protection of the Italian minority in Croatia, and of the Croatian minority in Italy.

Minister Separovic went on to stress that his country intends to seek membership in the Helsinki process as well as the United Nations. Talking about the civil war in Yugoslavia, he said that this has been the worst and dirtiest war in Europe since World War II, and noted with regret that Europe has in practice not taken any steps to halt it. The Croatian foreign minister added that in his discussions with James Baker, his U.S. counterpart, he asked that the United States work actively to ensure that armed peace forces are sent to Croatia as rapidly as possible.

[Balazova] When asked whether he expects a positive decision at tomorrow's session of the U.N. Security Council on the issue of sending peace troops to Croatia, Croatian Foreign Minister Zvonimir Separovic said the following in an interview given to Slovak radio:

[Separovic] I may be a poor prophet. It is not easy to say when the peace troops will come. If you were to ask me when we would like them to come I would answer tomorrow, tonight, immediately. This is, however, a complicated process. We know that the French are ready to send several thousand Blue Helmets [UN troops] to our country immediately. Fifty military observers have arrived in our country so far. The decision now rests in New York. It is in the hands of the Security Council and no longer in Brussels or The Hague, where the peace conference on Yugoslavia was held.

It is difficult to say whether this is good or bad. Europe is clearly supporting us, and they perhaps understand us better because the war is taking place on their European Continent. A different situation exists however in the Security Council. Some of its members have given marked support to the old Yugoslavia, and decisions are hard to arrive at in a forum where views are not homogeneous. [passage omitted]

Document on Arms Transfers Approved

LD3001221792 Prague CSTK in English 2119 GMT 30 Jan 92

[Text] Prague Jan 30 (CSTK)—The foreign ministers of the Conference on Security and Cooperation in Europe (CSCE) member states today adopted a document on expanding CSCE institutions and structures and a declaration on arms non-proliferation, Czechoslovak Foreign Ministry Spokesman Egon Lansky told CSTK. The "Prague Document on Further Development of CSCE Institutions and Structures" provides for the strengthening of CSCE institutions in order to follow the objectives set out in the Charter of Paris for a new Europe.

The "Declaration of the CSCE Council on Non-Proliferation and Arms Transfers" concerns ways of preventing the spread of weapons of mass destruction and controlling missile technology.

The document on developing CSCE institutions said the CSCE Council of Ministers decided that appropriate action may be taken by the council or the Committee of Senior Officials (CSO), if necessary without the consent of the state concerned, in cases of clear and gross violations of CSCE commitments. The CSO will be responsible for the management and coordination

between meetings of the CSCE council and will act as the council's agent in taking appropriate decisions. It will meet more regularly, at least every three months, according to the document.

In order to extend practical cooperation among participating states in the human dimension, the ministers decided to give additional functions to the office for free elections in Warsaw, which will from now on be called the Office for Democratic Institutions and Human Rights. The document provides for the CSCE process to focus on efforts at promoting market economic forces as an important instrument of strengthening democracy.

Stressing the need to improve CSCE's capabilities to engage in conflict prevention, the document says the council will ask the Helsinki follow-up meeting to study possibilities for improving control instruments, such as fact finding and monitor missions, good offices and dispute settlement. The document envisages enhancement of the functions of the Vienna-based Conflict Prevention Centre.

In the declaration on the non-proliferation and transfers of arms, the ministers stressed the readiness of their governments to support international cooperation in preventing the proliferation of weapons of mass destruction and the control of missile technology. They renewed their support for a global, comprehensive and effectively verifiable chemical weapons convention to be concluded in 1992. They said that excessive build-ups of conventional weapons beyond legitimate defensive needs pose a threat to international peace and security.

The ministers decided that the question of arms non-proliferation, including the transfer of sensitive expertise, and the establishment of a responsible approach to international armaments transfers should be included as a matter of priority in the work programme for the post-Helsinki arms control process.

Tomorrow, the CSCE ministers' council is expected to approve a document containing the suggestions of the individual ministers concerning human rights, prevention of racial and other discrimination, and international security.

Genscher Condemns Tank Shipment to Syria

LD3001233092 Hamburg DPA in German 2155 GMT 30 Jan 92

[Text] Prague (DPA)—Federal Foreign Minister Hans-Dietrich Genscher described the transport of Czechoslovak tanks intended for Syria by the German freighter Godewind as a "criminal act by a German shipping company" and called for the punishment of those responsible. In a talk with journalists on the sidelines of the CSCE Council of Ministers conference in Prague, Genscher, who had just come from a reception with President Vaclav Havel, clearly showed his annoyance when he was asked whether he had discussed the matter. "Of course," he replied.

There was a topical reason for the political embarrassment, which made the affair a talking point in the corridors of the Prague congress hall. Just three hours earlier, the 48 CSCE states unanimously decided to take over the UN's arms export register and to make entries obligatory.

Genscher later added that the manufacturer—a well-known former Warsaw Pact arms maker in Slovakia—organized the business and transport without the government's knowledge. Havel's government thus had nothing to do with the matter. Because of the criminal background, the matter also had no connection with the CSCE's new arms register.

Havel, SFRY's Maksic Discuss Solution

LD3101110692 Belgrade TANJUG Domestic Service in Serbo-Croatian 1010 GMT 31 Jan 92

[Text] Prague, 31 Jan (TANJUG)—Talks were held between Czechoslovak President Vaclav Havel and Milivoje Maksic, head of the Yugoslav delegation at the CSCE ministerial meeting in Prague. Maksic said that international elements should refrain from taking one-sided steps with regard to Yugoslavia, so as not to reduce the scope for resolving the crisis by, above all, an agreement reached among all interested Yugoslav sides.

During the meeting, which was held last night at President Havel's initiative, it was stressed that international elements' refraining from taking one-sided steps with regard to Yugoslavia is a precondition for the achievement of a generally acceptable, lasting, and equitable solution.

During the talks Milivoje Maksic acquainted the Czechoslovak president in more detail with the activities going on in Yugoslavia to achieve a complete and democratic solution to the existing crisis.

Jeszenszky, Ghali Discuss Yugoslavia at UN

LD3101102192 Budapest MTI in English 0856 GMT 31 Jan 92

[Text] New York, January 31 (MTI)—Hungarian Foreign Minister Geza Jeszenszky, who is replacing Prime Minister Jozsef Antall at the Security Council Summit, arrived in New York on Thursday afternoon, according to local time. He met UN Secretary-General Butrus Ghali and give him a letter from Antall. After this, he briefed US businessmen about economic conditions in Hungary.

The Ghali-Jeszenszky meeting focused on the Yugoslavian situation, MTI's correspondent learnt. Ghali discussed at depth the UNO's role there and urged creating

conditions for the deployment of peace-keeping forces. Ghali pointed out that arranging for the technical conditions of peace is a UN responsiblity and [a] political solution is that of the European Community.

Jeszenszky drew attention to the need for diplomatic measures to prevent the conflict in Serbia and Croatia from spreading to Bosnia and Vojvodina. Jeszenszky presented to Ghali Antall's letter notifying the secretary-general that the prime minister stayed away from the summit, which he considers highly important, on the advice of his doctors. Antall wrote he had commissioned the foreign minister to represent Hungary at the meeting. Before today's Security Council session, Jeszenszky will meet Artur Schneier, rabbi of New York and leader of the organization Appeal of Conscience.

Alia on Failure To Approve New Electoral Law

AU2901200892 Tirana Radio Tirana Network in Albanian 1900 GMT 29 Jan 92

[Interview with President Ramiz Alia by Tomor Topore in Tirana on 29 January—recorded]

[Text] [Topore] We met President Ramiz Alia to explain certain issues connected with the elections. First, Mr. President, January is nearly over, and the election date has still not been officially announced. What do you think of this?

[Alia] I share your concern about the elections. The days are passing by. We are approaching 1 March, but the preparations to conduct a correct electoral campaign for genuinely free, democratic, and equal elections are not being carried out. Everybody says they want elections soon, by 1 March at the latest. However, not even the minimal legal conditions for this have yet been met.

[Topore] What specifically stands in the way?

[Alia] The main thing is the absence of a new electoral law. By delaying the approval of this law, the People's Assembly has obstructed all the preparatory work for the elections. Without this law, the government cannot even define the constituencies. This must also be the reason the political parties have not yet proposed candidates for the Central Electoral Commission; nor can I announce the precise election date yet, because this would conclusively dissolve the People's Assembly before it has passed an electoral law.

[Topore] In short, will the elections be postponed beyond 1 March?

[Alia] This does not depend on me. I said at my meeting on 22 January with the Presidency of the People's Assembly and the leaders of the political parties, the election date depends on the work of the parliament. Thus, it depends on the deputies whether the elections will be held on 1 March or postponed until a later date. I do not think the two parties in the parliament have changed their minds about the election date. At least, I am not aware of this. On the contrary, when I consulted the parties in the middle of December, I received written proposals in which the Socialist Party suggested 9 February and the Democratic Party suggested the last week in February.

[Topore] How do you think we can escape from this vicious circle?

[Alia] Before I express an opinion on this, I will say that I do not think it would be right to abandon 1 March, a date on which most of the nonparliamentary parties also more or less agree. After all the psychological exhaustion our people have suffered this winter, any postponement of the elections would merely cause annoyance and disillusion people with political life. As for getting out of this situation, as I said, I too am obliged to wait for the parliament's approval of the law before finally announcing the election date.

If parliament continues to dither, I will have to consult the political parties again to find a new political solution, considering two options: either postponing the elections or dissolving the People's Assembly and holding elections under the old law, which is still legally in force.

[Topore] Thank you.

Assembly Debates 'Serious State of Public Order'

AU2901180192 Tirana Radio Tirana Network in Albanian 1500 GMT 29 Jan 92

[Zamira Koleci report]

[Text] There were discussions of the serious state of public order at the two sessions of the People's Assembly this morning.

Deputy Zef Nikolla said, among other things, that the parliament must approve two or three amendments in order to establish the status of the police, that a meeting must be held between the president and the officials in charge of public order and justice, and that some changes must be made to the Penal Code.

Azem Hajdari said that the ruling party, by winning a vote of confidence, had an urgent duty to reestablish order and not to permit the engine of the state to break down. The interpolation was necessary, but the ruling party should first of all have established a dialogue between local government officials and the police in the districts. The present state administration cannot confront the situation. In Tropoje, the police almost sacrificed themselves. Mr. Nano should have gone to visit genuine and honest communists and not informers; he thereby abused the trust of the people of Tropoje. This town is open to all political parties.

Cun Jonuzi criticized the street politics that are alien to democratic culture and the desire for national conciliation. He stressed that Mr. Ahmeti's government should have worked harder on public order.

Abdi Baleta stressed that no more can be expected from a government that came to power merely to ensure that ministerial seats were not left vacant. He then explained that destabilizing forces have trained their sights on towns with a democratic culture. The public order minister should have explained yesterday who is encouraging a breakdown of order and in whose interests it is.

Leontiev Cuci, pointing out that a psychological terror that no political force supports is evident everywhere, said that there may be various forces that want to seize power by force, heedless of the fact that Albanian blood may be shed. The parliament, he said, has approved many laws, and the police must enforce them without delay.

Thoma Angjellari criticized the replies of the public order minister, who only laid down demands and displayed a sense of insecurity, while failing to explain how this difficult public order situation can be overcome.

Ligor Balla emphasized that the poor public order situation is a result of political terror being waged on the threshold of the elections in order to create psychological terror. He later criticized certain television correspondents, but the session's chairman interrupted his speech because this subject was not on the agenda.

Hashim Zogu said that the public order minister should have taken a firm stand, assuring the parliament and the people that his personnel will do everything possible to establish calm and enforce the law.

Arif Hasani said that the people have placed their trust in us, and we must settle their grievances as soon as possible. The forces of order must extinguish the fire that has been ignited with work, not whining.

Hysen Godole said that the forces of order must not be dilatory in enforcing the laws, of which this parliament has approved plenty. The Public Order Ministry must not join the games of the political parties, because the law is its master.

Halil Hasko, after describing the grim situation in the country, said that thirst for power must not lead to street politics or be allowed to confuse and dishearten the ranks of the police.

Sabit Broka said that all the factors leading to the breakdown of order must be assessed, but the public order minister merely tried to make excuses. The Tropoje events were a fascist act, and the very targets of these acts indicate who the culprits are.

Osman Murati said that the public order minister should have discussed more responsibly the demands raised in the Socialist Party's declaration, and especially the Tropoje events.

Xhevat Sinorukaj, after pointing out the reasons why our state has become a fiction, dwelled on the weaknesses of the police's work and stressed that new personnel are being recruited at a time when the effectiveness of their work is declining. Democratic action is a weapon in the hands of the forces of order.

Bardhyl Fasko seconded the speeches of his colleagues Cun Jonuzi and Sabit Broka, and therefore withdrew his own speech.

Islam Gjana then said that the parliament has devoted most of its time to the forces of order, while the personnel of these forces complain that there is no law. Both sides blame each other, and responsibility is left stranded in the middle. The government must establish security for the people through its work.

Ismet Ferizaj said that everybody must work to maintain order. The Assembly must insist more strongly on the enforcement of the law. This speaker was interrupted after deviating from the agenda.

Shaqir Vukaj then pointed out that both the highlanders and townspeople of Shkoder have accepted living together in pluralism. All the district's political parties share the credit for this. The forces of order and the justice organs must establish calm before the electoral campaign.

Ylli Vejsiu, talking about the Tropoje events, said that the activities of all political forces must be treated with respect. He then spoke about the duty of the political parties to give proper support to the forces of order, and said that the main thing is to bring forward the new elections to as early a date as possible.

Ali Gosturani also supported the view that the forces of order must shake themselves out of their apathy and enforce the law properly. Let the political parties find a common language in order to guarantee the unity of the people.

Blerim Cela said that it is not parliamentary interpolations but concrete measures, restructuring, and democratic laws that ensure order.

Belul Lufo dwelt on the socioeconomic factors that have led to a breakdown of public order.

On behalf of the Democratic Party's parliamentary group, Arben Imami said among other things that the Socialist Party's stand is ridiculous. We fail to understand whom the majority in the parliament expects to establish order. We must talk concretely about what needs to be done. Our parliamentary group has several times called for the disarmament of the populace, but nothing has been done. The problem of public order was only raised in the parliament when the interests of the majority party were affected.

The Democratic Party's parliamentary group wants an Albania in which both the winners and losers, i.e. all the parties, will live in freedom after the elections. The Democratic Party is a party of the masses and wants no backlash. Talking about the reasons for this situation, Imami said that the main cause must be sought in the absence of government. There is no government because the Socialist Party, which holds the majority, is not competent to govern the country. This is also where the remedy lies.

Namik Dokle, speaking on behalf of the Socialist Party's parliamentary group, said among other things that if the Democratic Party has asked for a law on disarmament, the Socialist Party has called for a bill to combat rising crime. He then said that street dictatorship, if the law is not enforced, will lead to a new dictatorship in Albania. Crime has risen most in those districts where the opposition heads local government. All of us in the parliament are rightly asking the police to enforce the law. It was not the Tropoje events that led us to demand an interpolation, although they testified to many things.

The acts committed in this town were against the people. The political terror waged against the Socialist Party shows that someone is distressed by the credibility this party enjoys among the people and in the world. We must conclude this debate with a clear view. The government must guarantee the people free and democratic elections without psychological terror.

At this point, the morning sessions ended. Deputies this afternoon will hear a report from the special Treasury Commission and will later consider a bill on some changes to the Penal Code.

Report Notes 'Discrepancies' in Gold Deposits

AU2901203392 Tirana Radio Tirana Network in Albanian 1900 GMT 29 Jan 92

[Zamira K leci report]

[Text] The People's Assembly session began this afternoon with the delivery of a report by the special commission appointed to investigate the problems of the Albanian State Treasury, submitted by Blerim Cela, chairman of this commission.

Here are some facts and figures from this report. According to a report by Professor (?Francis Kalmet), appointed by the League of Nations to present a detailed assessment of Albania to the League's Financial Commission, Albania held important deposits of precious metals valued at 50,000-100,000 gold francs, besides gold in the form of jewelry. King Zog plundered 183 kilograms of gold, and the report states that there are discrepancies between the documents of the State Archives and the Interior Ministry and the quantity deposited in the Treasury. The State Archives show that 1,954.6 kilograms of gold were confiscated between 1945 and 1956; the Interior Ministry records yield 2,509.1 kilograms, while 1,957 kilograms, or 552 kilograms less, was deposited in the Treasury.

The report also states that 90 declarations made by victims of confiscation yield a total of 3,584 kilograms of gold, and that a total of 3,029 kilograms of gold was obtained from 1,700 acts of confiscation. If they were all to make declarations, one wonders what the total would be. The figure of 4,702 kilograms of gold lost in currency exchanges has been mentioned.

The People's Assembly proceedings ended here. They will resume at 0900 GMT tomorrow.

Electricity Workers End Strike for People

AU2901170492 Tirana Radio Tirana Network in Albanian 1500 GMT 29 Jan 92

[Bujar Shtepani report]

[Excerpt] Hundreds of families in Tirana have become used to spending every evening without electricity—in other words, without heating and light. This dire situation is causing great economic and social distress. Meanwhile, we have learned that the Strike Committee at the Tirana Communal Electricity Enterprise decided to resume work yesterday as a sign of kindness to the people, while still not giving up their fair demands. [passage omitted]

Tirana Rally Supports Kosovo Independence

AU5001182992 Tirana Radio Tirana Network in Albanian 1430 GMT 30 Jan 92

[Sokol Perihati report; passages in italics are recorded]

[Text] [Unidentified speaker at rally]
Brothers and sisters of the capital city, this is the first time that we have gathered in this square that rightly bears the name of our national hero Gjergj Kastrioti Skenderbeu.

The rally held on Skenderbeg Square this morning bore the motto: With Kosovo, for Kosovo. This rally, organized by the Students' Organizing Council, was opened by the strains of the Albanian national anthem.

Mr. Gjin Progri, chairman of the Students' Organizing Council; Mr. Tomor Malasi, chairman of the Tirana Executive Committee; well-known poet Fatos Arapi; Mr. (?Myrteza Gjana), chief editor of the newspaper KOSOVA; deputies Abdi Baleta and Azem Hajdari; student Albana Krasniqi; and Mr. Ethem Likaj, rector of Tirana University, then spoke.

All speakers emphasized that the time has come to solve the Albanian national question once and for all. They also pointed out that for decades on end, half the Albanian nation in Kosovo, living on its ethnic territories, has been barbarically terrorized and oppressed by the chauvinist Serbian regime. Nevertheless, our people in these territories are heroically resisting and are determined to achieve national liberation and to bring to life the historic decision of the representatives of the people in the Kosovo Assembly, who proclaimed the Republic of Kosovo. This decision was backed up by the people's referendum, which decided that the Republic of Kosovo should leave the former Yugoslav federation as a sovereign state. Speakers later pointed out that today, when the matter of the self-determination of the peoples of former Yugoslavia is on the agenda and Slovenia and Croatia have won independence, and when the worldwide public has become sensitized and is ready to recognize the Republic of Kosovo, it is the right and duty of all Albanians, as the sons of a single mother, to struggle by democratic means and through international organizations. In this favorable and dramatic situation for the recognition of the Republic of Kosovo, we must struggle to once again make our national stand clear to the world.

During the greetings, those present at the rally were informed that the Albanian parliament had interrupted its plenary session for one hour as a sign of solidarity

with the students and young people of Tirana who had gathered in this rally, and had sent them a greeting that was read on their behalf by Deputy Ridvan Peshkepia. In conclusion, an appeal on behalf of those attending the rally, addressed to the leaders of the United Nations, the UN Security Council, the CSCE, and the conference on Yugoslavia in The Hague, was read by Flamur Bucpapaj, a student of Luigj Gurakuqi University in Shkoder.

[Bucpapaj]
We citizens of Tirana, gathered here on Skenderbeg Square in Tirana at 1000 GMT on 30 January, state:
On the basis of the tragic destiny of the unfairly divided Albanian nation that has historically been denied its rights, and considering the right of the peoples to self-determination in accordance with the UN Charter, the Helsinki Final Act, and other documents on human rights; bearing in mind the democratic developments in the international arena and especially in Europe and the changes that have taken place in multinational states that have led to the affirmation of the right to self-determination to the point of full independence and secession; and considering the serious situation of the Albanians in Kosovo, Macedonia, Montenegro, and southern Serbia and their legitimate aspirations and inalienable rights to self-determination; remembering that the people of Kosovo and Macedonia have declared in people's referendums, like the other peoples of former Yugoslavia, that they favor their own independent state; and bearing in mind that there can be no stability in the Balkans or beyond without a fair and conclusive solution of the question of the Albanians in Yugoslavia, we have decided:
1. To powerfully support the rights of the Albanians in Yugoslavia to self-determination and to the sovereign and independent republic of Kosovo.
2. To support the rights of the Albanians in Macedonia to self- determination, as a state-forming element in Macedonia.
3. To condemn the repression and violence of the Serbian occupiers in Kosovo and to demand the withdrawal of the occupying Serbian troops from Kosovo.
4. To support all the demands and rights of the people of Kosovo and of the legitimate authorities of the independent and sovereign Republic of Kosovo for the solution of the question of Kosovo.

We issue an appeal to the international community of states and international organizations to give their help in order to reach a fair and durable solution of the Albanian problem in the Balkans. We ask the United Nations to send its forces as soon as possible to prevent any further deterioration of the situation, with serious consequences, and to forestall tragic events in Kosovo. We call on the United Nations to urgently take these issues into consideration. We ask the conference in The Hague to consider the entire Albanian question. We call on the world's democratic states to recognize the Republic of Kosovo alongside the other independent republics of the former Yugoslav federation.

Another student later read a protest addressed to the Serbian Government, stating:

[Unidentified student]
We inhabitants of Tirana, assembled at this protest rally with Kosovo, for Kosovo, organized by the student youth of Albania on Skenderbeg Square at 1100 on 30 January 1992, demand that you immediately withdraw the occupying troops from the Republic of Kosovo. We are determined to support the people of Kosovo by all democratic means, respecting the right of the peoples to self-determination, which in this specific case the Albanian people on their own lands have expressed through their referendum. Kosovo never has been, is not, and never will be Serbia.

At the end, those attending the rally were told about a number of telegrams that had arrived from various forums, organizations, and political parties at home and abroad. The rally closed with another rendering of the national anthem.

[Unidentified speaker]
...that aim to destroy the Republic of Kosovo, to close the schools and the university, to paralyze and ruin the economy, and to deport the Albanians from their lands.

Dimitrov Speaks in Khaskovo, Meets Authorities

AU3001192392 Sofia DEMOKRATSIYA in Bulgarian 27 Jan 92 p 2

[Nadya Vasileva report]

[Text] Bulgaria will be easier to govern in 1993, stated Filip Dimitrov at a meeting in Khaskovo. Within a week or two the amendments to the small trading law and the Land Law will be voted upon. If this happens, Filip Dimitrov told a capacity crowd in the Khaskovo sports hall, we will begin a new stage of the change in Bulgaria. He elucidated on the government's activities in the economic sphere, the reforming of enterprises, and the difficult decisions on the fate of loss-making production activities. We will breathe a sigh of relief, he added, when we have convinced two or three large companies to invest in us. People expect swifter changes from us including personnel changes.

We will implement these, especially where it is a matter of corrupt individuals or individuals wanting to restore communism and the centralized economy, emphasized Interior Minister Yordan Sokolov. A few hours earlier a meeting had taken place between the country's oblast administrators and the prime minister, ministers of the interior and regional development, housing, and construction, and officials of the two ministries. Problems related to the oblasts' property, coordinating joint activities between the oblasts and the other administrative-territorial units, and the functions of the oblasts' administrators were discussed. There was unanimous agreement that it was necessary to widen the powers of the oblasts' structures while the land restoration process was in progress.

Dimitrov Rejects Rumors of Conflict Within SDS

AU3001134692 Sofia DEMOKRATSIYA in Bulgarian 25 Jan 92 p 1

[Stoyan Georgieva report]

[Text] The suggestions and rumors of the "big conflict" between the Union of Democratic Forces-government [SDS-government], the SDS-parliament, and the SDS-president have been gathering momentum during recent weeks. Despite the fact that they are intriguing and quite profitable for some people, there is no truth in them, says Filip Dimitrov, prime minister and chairman of the SDS National Coordinating Council. The truth is that there is always competition between the two powers. A democratic country does not exist where the parliamentarians do not "insult" the government because it allows itself to do things for which they have not given it permission, and where the government does not "insult" parliament because it drags its feet or does not do things in the way the government wants, Mr. Dimitrov believes. This is how things are, and this is how Bulgaria must be as well, he concludes.

The SDS is monolithic insofar as it maintains the same stances in all the sources of power that it controls. I hope that such firmness will continue to exist in the future, otherwise we are lost, the prime minister remarked. However, if somebody interprets unity as meaning a total lack of arguments, discussions or conflicts, then this type of unity will not exist. The socialist opposition is following the development of events with a magnifying glass and will not miss an opportunity to discredit the new rulers. It is a good bet to attack the government and parliament, Filip Dimitrov believes. However, in his opinion the presidential institution, as distinct from the government and parliament, is stable and not vulnerable at the moment.

Filip Dimitrov said that the speed of the legislative process is of crucial importance. There are several laws of which we are in dire need, and if they do not come out in one week, our hands will be tied, the prime minister warns.

Dimitrov Announces Immediate Price Freezing

AU3001202392 Sofia BTA in English 2015 GMT 30 Jan 92

[Text] Sofia, January 30 (BTA)—The Council of Ministers obliges all state enterprises, companies and commercial partnerships with state property to freeze prices of goods as of January 30 this year. The ban will remain in force until otherwise stated, Premier Filip Dimitrov told the national television tonight.

Mr. Dimitrov motivated this move with the danger of an ungrounded surge in prices following the decision of the Supreme Court to liberalize the prices of the 14 commodities still monitored by the government.

Mr. Dimitrov said that the Council of Ministers will take the necessary measures to head off a surge in prices. Since this will involve certain procedures that cannot be implemented right now the Council of Ministers uses one of its exclusive rights—the right of ownership over state companies. Any attempt to raise prices on the part of state or private entrepreneurs will be considered as running counter to the will of the owner and will carry serious consequences.

Assembly Discusses Interior Ministry Changes

AU3101155092 Sofia BTA in English 1416 GMT 31 Jan 92

[Text] Sofia, January 31 (BTA)—At the request of MP's [members of parliament] from the BSP [Bulgarian Socialist Party] today parliament spent over three hours in debates over the recent personnel changes in the Ministry of the Interior which were initiated by the new Minister of the Interior, Mr. Yordan Sokolov. Finally, with a special resolution, parliament approved of the changes and demanded that Mr. Sokolov take "additional measures to overcome the consequences of the communist rule and to improve the ministry's prestige."

The resolution was backed by the factions of the Union of Democratic Forces (SDS) and the Movement for Rights and Freedoms (DPS) and was opposed by the entire faction of the Bulgarian Socialist Party (BSP). The debates revealed essential differences between the factions. MP's from the BSP maintained that police officers had been dismissed for political reasons, while the representatives of the SDS and the DPS explained that the dismissed officers had been involved in the so-called "regeneration process" and in acts of violence against ethnic Turks. The dismissal of those officers, 18 of the total 81, provoked heated arguments.

The statements that the personnel changes were posing a threat to Bulgaria's national security are absolutely unfounded, Mr. Sokolov pointed out in response to an interpellation. For the third time he explained that the dismissed Interior Ministry employees had been either unfit for the job or discredited by their participation in actions against the people. Mr. Sokolov described the "regeneration process" as the Communist Party's most serious crime against the Bulgarian people. "The ministry's leadership and myself will follow the same personnel policy further on, as it is intended to raise the ministry's prestige and to relieve people from the dark shadow of the past," Mr. Sokolov said. He added that the structural changes in the ministry will continue.

Assembly Adopts Banking Bill at First Reading

AU3001201692 Sofia BTA in English 1943 GMT 30 Jan 92

[Text] Sofia, January 30 (BTA)—This evening the Bulgarian parliament unanimously voted the Banking and Crediting Bill on first reading. The bill contains 56 clauses regulating the operation of the Bulgarian banking system.

The bill was submitted by Mr. Filip Dimitrov's government at the beginning of December. It has been discussed with the leaders of all private banks in Bulgaria. Austrian, German, French and Swiss experience was used in its drafting.

The Bulgarian banking system is viewed as a two-level one—of the central bank (the National Bank of Bulgaria) and of commercial banks. The bill defines the characteristic features of the commercial banks.

The former socialist-dominated parliament passed the National Bank Act. It was to pass an act on banking and crediting in July 1991 but came across strong resistance. "This resistance stems from the understanding that the market economy and banking function without any control whatsoever," Professor Todor Vulchev, governor of the National Bank, said in parliament today.

The Banking and Crediting Bill provides for strict supervision over the commercial banks. "We have chosen the European model of supervision," Professor Vulchev said. The supervision will be effected by the National Bank.

For some time banks will remain mainly state-owned. The decision on the establishment of a bank holding is expected to be published in tomorrow's OFFICIAL GAZETTE. A merger process will be launched which will lead to the consolidation of the banks and to their privatization later on. According to Prof. Vulchev, the process will take a year or two.

According to the bill, a bank is a joint-stock company or a cooperative organization authorized to conduct banking transactions by trade.

A bank may be established only with the permission of the Governing Board of the National Bank of Bulgaria. The legislation concerning bank management is in line with international practice.

The bill sets certain requirements concerning the qualifications and professional experience of the members of the banks' Managing Boards. Banks' managers and directors will be appointed only with special permissions.

Under the bill, commercial banks will issue only personal shares. The purpose of this restriction is to enhance the control of the central bank over the shareholders so as to prevent a person or an economic grouping of persons to acquire more than 10 percent of the voting rights in the shareholders' general meeting.

The bill restricts risk operations that might put the interests of depositors at stake. A bank's total investments in property, shares and bonds may not exceed 50 percent of its own capital.

The bill provides for a free cash flow throughout the country. There are no restrictions on interbank lending. Interest rates on credits and deposits will be fixed on a market basis.

The bill sets forth a procedure for rescheduling banks' debts in case the national economy is endangered. Any such decision will be taken by parliament.

Another Restitution Bill Passed on First Reading

AU2901180692 Sofia BTA in English 1736 GMT 29 Jan 92

[Text] Sofia, January 29 (BTA)—Today parliament passed another Restitution Bill on first reading.

This bill is to restore the ownership in properties expropriated by the communist regime in 1947-1952 under the acts on the nationalization of large city property, private industrial enterprises, mines and food storehouses, on the state monopoly on tobacco, alcohol and sweet alcoholic drinks, on trade in wine and brandy, the Book Printing Act and the Film Industry Act. Houses, storehouses, small shops, private cinemas, offices, small enterprises and studios will be given back to their owners.

If the property no longer exists, the owner will be compensated in accordance with another act's clauses.

The Nationalization Acts had been intended to make all Bulgarians completely dependent on the state. They were not aimed at achieving social justice, they just deprived the intelligentsia and the private owners of their property, reads the bill which was approved in principle today. The opposition BSP [Bulgarian Socialist Party], formerly BCP [Bulgarian Communist Party], violently opposed the bill during the debates.

Another bill concerning property will be on the agenda within a few days. Amendments will be made to the Property Act that will put an end to malpractice, profiteering and profiting by conjuncture in marketization.

Soon parliament is to debate on first reading a bill on banking and crediting which was moved by the government and amendments to the Land Act which were moved by MP's [members of parliament] from the SDS [Union of Democratic Force]. The amendments are to accelerate the land restitution.

Amendments to the Labor Code and a bill on state employees which was moved by the opposition BSP are also to be debated in the near future.

BSP's Tomov Alleges 'Instability' in Government

AU3001172292 Sofia BTA in English 1541 GMT 30 Jan 92

[Text] Sofia, January 30 (BTA)—At a press conference today the shadow prime minister, Mr. Aleksandur Tomov, of the Bulgarian Socialist (former Communist) Party [BSP], insisted that Mr. Filip Dimitrov's cabinet present a clear programme of action. He demanded that the government announce the 1992 budget in the next few days and not in March and that it "react to the tendencies in the economy affecting the life of the people."

According to the BSP, the demand of the Podkrepa Labour Confederation for the resignation of the two economic ministers in the cabinet is a manoeuvre of the Union of Democratic Forces. Mr. Aleksandur Tomov said that the opposition is disturbed by what he described as the growing instability in the government.

Mr. Tomov said that the individual ministers often disagree on major home and foreign policy issues. He stressed that the present government has upset the balance in the relations between the trade unions and the government, established by the former Council of Ministers.

Mr. Aleksandur Tomov elaborated on the rise in unemployment in this country even before the start of the real structural adjustment of the economy. According to him, the policy pursued by the government amounts to a purely monetary reform and restitution has started before privatization.

Solons Accuse Chief Mufti of Misuse of Funds

AU3101105292 Sofia BTA in English 0907 GMT 31 Jan 92

[Text] Sofia, January 31 (BTA)—A few days ago 200 Muslim priests demanded the resignation of Dr. Nedim Gendzhev, chief mufti, accusing him of collaboration with the former State Security services, involvement in the "regeneration process" (the forcible assimilation campaign against the Bulgarian Turks) and of having been an active member of the former Bulgarian Communist Party. Similar demands have been raised by the students in the Islamic School in Sofia. Today's "24 CHASA" reports about a forthcoming audit at the muftis' offices to find out what happened to the 1,500,000 million lev allocated by the state in 1991. At a meeting of the Parliamentary Committee on Religious Denominations MP's [members of parliament] of the Union of Democratic Forces (SDS) accused Dr. Gendzhev of diverting sums of money to a company in Austria in which he allegedly is a partner. At the same time a government commission is investigating the legitimacy of Dr. Gendzhev's appointment as chief mufti in 1988.

On his part, Dr. Gendzhev has handed in a declaration accusing MP's M. Hodja and R. Osman of collaboration with the former State Security and active communist atheist propaganda.

Luzhev Explains Government Stance on Macedonia

AU3001142792 Sofia BTA in English 1115 GMT 30 Jan 92

[Text] Sofia, January 30 (BTA)—Under the headline "Dimitur Yonchev Trying To Drag Bulgaria Into a Military Conflict" DEMOKRATSIYA, the daily of the Union of Democratic Forces, carries a commentary on a statement by Mr. Dimitur Yonchev, member of the Executive Bureau of the Bulgarian Socialist (formerly Communist) Party and chief spokesman for National Security in the so-called shadow cabinet, made between the two rounds of the presidential elections. He told a correspondent of the Greek Antenna [name as received] Radio and Television Channel that "Bulgaria will render military assistance to Macedonia if it is attacked by Serbia."

DEMOKRATSIYA invited the minister of defence, Mr. Dimitur Ludzhev, to comment on that statement. Mr. Ludzhev described the statement as "absolutely irresponsible." He explained what Bulgaria would do in case Serbia tries to settle its relations with Macedonia by force. "Bulgaria is ready to reinforce the western border by deploying troops to avoid Bulgaria's involvement in hostilities, preparations have been made for the acceptance of a possible inflow of emigrants from Macedonia. Bulgaria undertakes to intercede with the European structures and the United Nations for ceasing hostilities," he said.

Mr. Ludzhev pointed out that Bulgaria has no plans for military interference, it supports the open borders concept and is convicted that independence should be achieved by peaceful means, avoiding any interethnic and internationality conflicts.

A week ago the spokesman for the Ministry of Defence, Mr. Stoimen Stoimenov, denied the allegations made by the Belgrade POLITIKA daily that command personnel for the Macedonian Army was being trained at the Bulgarian Military Academy. "The allegations that mercenaries and soldiers are being trained to fight the Yugoslav Army at special camps in Bulgaria are sheer fabrications," he said.

The daily invited Mr. Yonchev himself to comment on the matter. He explained that he had been asked by the Greek journalist how would his country react in case Bulgaria and Macedonia on the one hand found themselves in conflict with Greece and Serbia on the other. Mr. Yonchev said he had replied as follows, "In case of such a conflict, the Bulgarian Socialist Party would react with cabinet crises, changes and other things." He expressed his regret that his statement had been misinterpreted. He believes that the reason for this misunderstanding is the Greek translation of the interview which was held in French.

Government Adopts Stance on Black Sea Cooperation

AU3001160492 Sofia BTA in English 1541 GMT 30 Jan 92

[Text] Sofia, January 30 (BTA)—The government today approved a draft declaration on Black Sea economic cooperation. The text was coordinated at the July 1991 meeting in Moscow of the deputy foreign ministers of the four Black Sea countries: Bulgaria, Turkey, Romania and the Soviet Union.

The cabinet authorized Foreign Minister Stoyan Ganev to sign the declaration. He has been invited to a meeting of the Black Sea countries in Istanbul on February 3, 1992.

If Greece is not invited to the forthcoming meeting in Istanbul the Bulgarian delegation will insist that it be given the opportunity to sign the document simultaneously with the other countries. According to the Bulgarian Government, Armenia, Azerbaijan and Georgia should sign the declaration after they join the Conference on Security and Cooperation in Europe.

Prime Minister Explains Incident on Turkish Border

AU3101104892 Sofia BTA in English 1002 GMT 31 Jan 92

[Text] Sofia, January 31 (BTA)—In parliament today Prime Minister Filip Dimitrov explained the incident that occurred recently at the Bulgarian-Turkish border in the Svilengrad region.

"It was not a case of seizing Bulgarian territory," Mr. Dimitrov stressed. The border line has been levelled by a landslide caused by a Turkish bulldozer working nearby. In mid-January "ZEMYA" ran a publication describing the incident as a "brutal seizure" of Bulgarian land. Today a Socialist MP asked Mr. Dimitrov what the government would do if similar incidents occur in future.

The problem is that Turkey recognizes the map drawn in 1934 while Bulgaria recognizes one from a later date which is considered more precise. As the two maps show a divergence of about a kilometer and a half it is necessary that Bulgaria and Turkey take prompt action to demarcate the border. However, the dense vegetation in the area has made accurate delimitation impossible so far. The two countries have reached an agreement to clear the vegetation and to make the necessary measurements by May.

Mr. Dimitrov promised to inform personally the MP's [members of parliament] about the results.

Government 'Distances Itself' on Tanks Seizure

LD3001195592 Prague CSTK in English 1810 GMT 30 Jan 92

[Text] Prague Jan 30 (CSTK)—The Czechoslovak Government today distanced itself from the interception of a German ship carrying 16 Czechoslovak-made tanks to Syria by the German Naval Fleet in the Mediterranean.

Czechoslovak Foreign Ministry Spokesman Egon Lansky reacted to today's DPA report on the interception of the German [as received] on grounds that the shipment was in violation of a law on arms export control banning transport of military material aboard German ships. He said the interception of the German ship is not an affair of the Czechoslovak Government.

Lansky said a Czechoslovak company concluded a contract with Syria on the export of 250 tanks, under a licence exceptionally granted by the Czechoslovak Government last year. "From the day the licence was granted, this is no longer an affair of the Czechoslovak Government, and all that follows is handled by the company that made the deal", Lansky said, and added that the company is responsible also for the transport.

According to DPA, legal action has been taken against the shipping company which owns the ship.

German Cooperation Agreement Causing 'Headaches'

LD3001234692 Belgrade TANJUG in English 0933 GMT 29 Jan 92

[Text] Prague, Jan 29 (TANJUG)—The inter-statement agreement on good-neighbourly and friendly cooperation with Germany, although heralded as a step which will bring Czechoslovakia at least one step closer to Europe, has turned out to be a cause of constant headaches.

Not just critics, but ranking officials of the ruling coalition, too, do not conceal their fears that the new agreement could have serious consequences.

The Czechoslovak-German agreement was initialled nearly four months ago, but has not been signed yet. The signing of the agreement has been agreed a number of times but put off, obviously because of German Chancellor Helmut Kohl's calculations. Kohl would like both to meet Czechoslovakia's insistence that the agreement be signed as soon as possible, and, at the same time, not to let down the Christian Social Union, which advocates the interests of the Sudenten Germans.

The inter-state agreement has been conceived as a document which will have the two neighbours leave behind the past at last and turn entirely to the future. Czechoslovakia has been hoping that that would mean heavy German capital investments in the recovery of the Czechoslovak economy.

Quite the opposite has happened, however, and the specters of the past have been awakened. Everything revolves around the common border and the border region known in history as the Sudetenland—a part of Czechoslovakia which was joined to Hitler's Third Reich in 1938, with the consent of France and Britain, and half a year after which Germany occupied all of Czechoslovakia.

At the end of the war, Germans massively moved out of the Sudetenland because their property was confiscated under special decrees passed by Czechoslovak President Benes. The Sudeten Germans now claim that the Benes decrees must be annulled and their property returned. Thousand of hectares of land, farms, and factories are involved. If the demands of the Sudeten Germans were met, hundreds of thousands of Czechoslovaks would be heavily affected. The Czechoslovak public is concerned that the word 'border', and not 'state border,' is used in the part of the inter-state agreement which deals with current relations between Czechoslovakia and Germany.

The fears are not unfounded since Germany has started putting up along the border with Czechoslovakia signposts with the word "landesgrenze" [provincial border] written on them instead of "statgrenze" [state border]. Czechoslovakia—The Foreign Ministry reacted today to the German Naval Fleet's interception of a German ship transporting 16 Czechoslovak-made tanks to Syria, CSTK reports. The Foreign Ministry spokesman said that the interception is "in violation" of a law on arms export controls "banning" the transport of military materiel aboard German ships. The CSFR Government has "distanced itself" from the "affair" claiming that "a Czechoslovak company concluded a contract with Syria" to export 250 tanks under a license "exceptionally granted" by the Czechoslovak Government. "The company is responsible" for the transport, the spokesman stated.

Havel Approves New Operations Plan for Defense

LD3001234492 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 2030 GMT 28 Jan 92

[Text] The president, as commander in chief of the Armed Forces, today approved a new operations plan for the use of the Army for the defense of Czechoslovakia. The president told a CSTK correspondent after talks with the Army General Staff that Petr Pithart and Jan Carnogursky, the chairmen of the State Defense Councils of the two republics, have been familiarized with the new operation plan.

Federal Assembly Passes Military Intelligence Law

LD3101110392 Prague Federal 1 Television Network in Slovak 1830 GMT 29 Jan 92

[Text] Federal Assembly deputies today endorsed a law on military defense intelligence, which creates a legal framework for intelligence protection of the spheres under the jurisdiction of the Federal Ministry of Defense. The task of the intelligence service is to gain, concentrate, and evaluate information indispensable for

the needs of the readiness of the army for the defense of state. Defense military intelligence may, within the framework of its powers, use also intelligence media—that is intelligence technology—and cover documentation and monitoring. The intelligence procedures employed will be permitted by the prosecutor general, and the use of monitoring will be decided on by the minister of defense.

The question of the control of defense intelligence was discussed in great detail. The government-sponsored bill allows for parliamentary control via the inspector general of the armed forces. The debate also heard proposals that this activity be performed by the existing Commission for Control of the Federal Security Information Service, particularly if it were considering coordination of all the intelligence services. Eventually the deputies adopted a draft sumbitted by the guarantee paramilitary committees that control be exercised by a special commission set up by the Federal Assembly.

Rejects Amendment to Property Law

LD3101000292 Prague Stanice Ceskoslovensko Radio Network in Slovak 1400 GMT 30 Jan 92

[Report by correspondent Jan Kulhavy on the 20th joint meeting of the Federal Assembly]

[Excerpt] The afternoon session started with the chambers not approving the amendment to the law on conditions for the transfer of property to other persons. In the final analysis, this means that all the already-known shortcomings of large-scale privatization will continue to plague the transformation of our economy.

For instance, it will still not be possible to submit an alternative privatization project for a firm destined for liquidation, or penalize the persons withholding information when the alternative project was submitted. I will not even bother talking about the rejected free entry of foreign capital into coupon privatization. [passage omitted]

Klaus, Meciar Open to Post-Election Cooperation

AU3001151392

[Editorial Report] Bratislava SMENA in Slovak on 29 January on page 3 carries a 3,500-word "transcript" of recent public rallies held by the "two electoral favorites"—the Civic Democratic Party (ODS), which opinion polls give the best electoral chances in the Czech Republic, and the Movement for a Democratic Slovakia (HZDS), which is expected to win the elections in Slovakia. The ODS rally, the date of which is not given, was held in the East Bohemian town of Chrudim and the HZDS rally, the date of which is not given either, was held in Bratislava. The SMENA "transcript," which was "prepared by Alica Durianova," includes, among other things, statements made by ODS Chairman Vaclav Klaus and HZDS Chairman Vladimir Meciar about the possibility of post-election cooperation between them.

The SMENA account of the ODS rally at Chrudim includes the following passage on Vaclav Klaus' replies to questions from the audience:

Question: "Does the ODS consider the conclusion of some pre-election coalition?"

Vaclav Klaus: "The best way of entering into a coalition with the ODS is to join the ODS. We receive almost daily offers from parties that would like to enter into a coalition with us. They all demand the submission of a joint list of candidates, preferably in a one to one ratio, plus, if possible, that we repay the debts they have run up. At this stage we therefore strive to conclude some kind of nonaggression pacts with parties, rather than coalitions."

Question: "Do you think that the ODS will win the elections?"

Vaclav Klaus: "I think that in the Czech Republic we will win between 51 and 99 percent of the vote. (laughter) We do not have many representatives that are visible on television as there are only a few ODS ministers, myself being the only one in the federal government. We will leave the selection of candidates completely up to the regions, as they know their people and problems best. Let me say something about the role of deputies after the elections. It happens to me all the time that, during breaks in Federal Assembly sessions, I am beleaguered by deputies who present to me, on behalf of the district where they were elected, written requests for all kinds of financial subsidies. I think that the time when the only assignment of a parliamentary deputy was to extract some money for his own town is behind us. Their assignment is to consider and pass laws. And these have nothing about them that is specific to Chrudim, for example."

Question: "Would it not be better if the Slovak Republic became independent? Do you believe that our common state will be preserved?"

Vaclav Klaus: "We are optimists and believe that the common state will be preserved. And we feel that we must do something to make it happen. Of course, a permanent destabilization provoked by all kinds of extreme demands is something that is very, very bad and there are limits beyond which we will not go. But there is no reason to give up and stand idly by and watch this little country being carved up."

Question: "Will you run for the post of president?"

Vaclav Klaus: "We have declared several times that the ODS will support Vaclav Havel's candidacy, also in the next electoral period."

Question: "Have you ever done anything bad? And, if you did, will it have economic consequences?"

Vaclav Klaus: "One often does something that, a minute later, one would have done differently. But we have not made any major mistake in the transformation process.

In global terms, the course of the reform could not be significantly better than it has been."

Question: "Meciar said that the ODS is a potential coalition partner for him. What do you say?"

Vaclav Klaus: "I do not think that he was speaking about a coalition but only about post-election cooperation. You know, we must look for pragmatic solutions. I do not think that the views of [the HZDS chief spokesman on the economy] Mr. Filkus on the reform are that different from those held by the gentlemen from the Christian Democratic Movement [KDH]. The political spectrum in Slovakia today is such that, for obvious reasons, the parties that are represented in the government behave in a more or less statesmanlike manner, while the opposition parties behave in an unstatesmanlike manner. My feeling is that, if they swapped places, the opposition would change its conduct. I regard our possible cooperation with the HZDS as a political inevitability."

ODS Secretary Ivo Havlik is quoted as having added that "Mr. Meciar may or may not love us, but, at any rate, he is beginning to respect us."

The SMENA "transcript" of the HZDS briefing first quotes Vladimir Meciar as saying that 1992 will be the year that will "determine the character of Slovakia and the system of power." Meciar goes on to say that the HZDS has "at least 20 politicians more competent than Carnogursky" and that "no one has a better program, such people, and such a united structure of the movement" as the HZDS. Meciar adds: "Today, it is impossible to disrupt the movement from the outside. And we will take good care that it is not subverted from the inside!"

Referring to his attitude to Vaclav Klaus, Meciar then says: "I do not love Klaus. I never liked him. It is possible that fate will force us to talk to each other. But the issue stands as follows: The Civic Movement, which has seven [federal] ministers, says today that only Klaus is responsible for the government's policy. And what about them? Do they not bear any responsibility for the situation in the republic?" Meciar adds: "I would like to draw attention to the fact that Klaus is the sole Czech politician who has never criticized and offended us. Every time our turn comes, he keeps silent. I understand his attitude as a tactical option for the future. He may not want to thwart the possibility of future talks."

The SMENA "transcript" also includes the following replies by Vladimir Meciar to questions from the audience:

Question: "Will you join a coalition with the KDH?"

Vladimir Meciar: "I was once asked what happens to a black who falls into water. Well, he gets wet. And what happens when he falls into it a second time? In that case, he is stupid. Well, I do not want to be a black for the second time. As for the issue of a coalition, it is premature to consider whether a coalition will be necessary or not. In the elections we want to get 50 percent of the vote, plus one."

Question: "How will you proceed as regards Slovakia's attitude toward the Czech Republic?"

Vladimir Meciar: "First of all, it would be good if the Czech side made up its mind as to how many they are; that is, whether the Czech Republic will be Slovakia's only partner or whether there will be two partners—a Czech and a Moravian-Silesian one. It is impossible to say that Moravia does not exist. We will not, however, ask anyone whether the Slovaks have the right to adopt their own constitution, whether they have the right to feel sovereign as a nation.... The Slovak Republic can exist on its own, but a federation without the Slovak Republic cannot exist.... The Serbs, the Czechs, and the Slovaks are the only nations that have not yet declared their sovereignty. All other nations have managed to do that.

Question: "Because of biased reporting, many people have distorted ideas about the people of Bratislava and Kosice. My impression is that someone wants to divide us."

Vladimir Meciar: "The positions of the citizens in East Slovakia are unequivocal. They are just as aware of the serious nature of the situation as we are. Any division of Slovakia is out of the question. Look at how propaganda is made! Willy-nilly, I will touch upon the highest-ranking official. When the president called on the people to go out into the streets [in support of his legislative proposals in November 1991], he cited as the reason the wishes expressed by the citizens of Michalovce and Kosice in conversations with him. As far as I know, in Michalovce they did not even give him honorary citizenship. The city council turned down the proposal. I recognize Havel as an authority and even as the number one person—but in the Czech Republic.

Question: "Do you not suffer from the growing number of slanders being hurled at you?"

Vladimir Meciar: "We know about, and are prepared for, various possibilities. One of them is that an attempt could be made to ban us shortly before the elections, or to detain myself and [HZDS Deputy Chairman Milan] Knazko. The other possibility is that an attempt will be made to discredit me morally by some contact with persons of the opposite sex. When I was in the Federal Assembly the last time, at 2315 at night I got into my car and set off for Slovakia. The next day the Federal Assembly received an official report that I had booked an apartment and spent the night with a certain lady in Prague. The truth is that I only stopped over at the Nine Crosses and had a cup of coffee. Fortunately, there is always someone who knows me so I had a witness. I promise those who are trying to discredit me in this way that we are not going to be that uncivilized, primitive, and stupid."

ODS, HZDS Lead in Polls on Voters' Choices

AU3101074692 Prague LIDOVE NOVINY in Czech 29 Jan 92 p 2

[CSTK report: "The Civic Democratic Party and the For a Democratic Slovakia Movement Are Elections Favorites"]

[Text] Prague—The Civic Democratic Party [ODS], who would win 21 percent of the votes in the elections to the Federal Assembly, retains its leading position in voters' preferences in the Czech Republic. This ensues from the results of a survey conducted by the Institute for Public Opinion Research at the beginning of the month. A total of 1,320 respondents participated in the polls.

Czechoslovak Social Democracy still retains 10 percent in the Czech Republic, despite the fact that V. Komarek's popularity declined somewhat. The Communist Party of Bohemia and Moravia suffered small losses (7 percent). Primarily older people plan to vote for this party. There is no proof that the decline in popularity of this party is the consequence of the establishment of the Democratic Party of Labor. Other parties scored as follows: The Liberal Social Union (coalition between the Agricultural Party, the Green Party, and the Czechoslovak Socialist Party) (7 percent); the Christian Democratic Union-the Czechoslovak People's Party (5 percent); the Civic Movement (4 percent); the Movement for Self-Governing Democracy-Society for Moravia and Silesia (3 percent); the Association for the Republic-Republican Party of Czechoslovakia (3 percent); the Civic Democratic Alliance (3 percent); and the Christian Democratic Party (2 percent).

The For a Democratic Slovakia Movement [HZDS], for which 27 percent of people would vote in the elections to the Federal Parliament, is still leading in Slovakia. The Christian Democratic Movement regained second place with 15 percent, and the Party of the Democratic Left dropped to third place with 10 percent. The Slovak National Party follows with 10 percent. Other parties: The Civic Democratic Union-Public Against Violence (4 percent), Egyutteles-the Hungarian Christian Democratic Movement (4 percent), the Democratic Party (3 percent), and the Greens (3 percent).

A total of 19 percent of the people favor early elections in the Czech Republic, and 26 percent in the Slovak Republic. In the Czech Republic, people show reservations mostly about the Communist Party of Bohemia and Moravia (33 percent), the Association of the Republic-Republican Party of Czechoslovakia (21 percent), and the Civic Democratic Party (15 percent). In the Slovak Republic, the public shows reservations mostly about the Civic Democratic Union- Public Against Violence (31 percent), the Christian Democratic Movement (24 percent), and the Slovak National Party (14 percent).

Porubjak Sees No Threat to ODU-VPN From ODS

AU3001133792 Bratislava SMENA in Slovak 29 Jan 92 pp 1,2

[Interview with Martin Porubjak, Slovak first deputy prime minister and chairman of the Civic Democratic Union-Public Against Violence Party, by Marian Bednar; place and date not given: "A Profound Misunderstanding and Nothing More?"]

[Text] [Bednar] Vaclav Klaus has submitted an official request to have the Civic Democratic Party [ODS] registered in Slovakia. He justified this move by claiming that there is still a place vacant for the right wing [in Slovakia]. If this is the case, then where does it leave the liberal-conservative Civic Democratic Union-Public Against Violence [ODU-VPN] Party?

[Porubjak] I consider his entire formulation—that there is something missing on the right of the political spectrum—to be a typical ideological declaration. If Mr. Klaus had expressed policy reservations, then I would have understood this characterization. As it is, unfortunately, it remains indecipherable to me....

[Bednar] If Mr. Klaus claims there is no right-wing party, do you consider this issue to be merely a "profound misunderstanding"?

[Porubjak] Yes. That is a brief and clear explanation.

[Bednar] However, what are you going to do about this considerable misunderstanding?

[Porubjak] I perceive no specific criticism of our party in what the ODS chairman said. It is so abstract that I cannot respond to it.

[Bednar] Two wings are mentioned in connection with the ODU-VPN. One is the Kucerak wing, which is practically identical to the ODS, and the other is your, so far, not precisely defined wing. Will the establishment of the ODS in Slovakia not cause further splits in your party?

[Porubjak] I understand your question, but, at the same time, I do not understand it. It is annoying when everything is generalized around politicians' personal statements. As far as the ODU-VPN's policies for economic reform and for the constitutional and legal arrangement are concerned, then there are no disputes between these—as you call them—wings. I know nothing about any wings, so I am unable to talk about someone's likely or unlikely conversion to the ODS.

[Bednar] Let us try to put it another way. Intellectual prowess is a typical feature of the ODU-VPN. Does this intellectual prowess bind the party sufficiently to businessmen in Slovakia?

[Porubjak] Businessmen are able to conduct their business thanks to the ODU-VPN's policy. The Association of Slovak Entrepreneurs is not in direct contact with our party, but a series of meetings have taken place where we

held talks with the businessmen's representatives and we have taken their comments directly into consideration in our political activity.

[Bednar] Is the ODS your political rival? Will you address yourselves to the same social sector....

[Porubjak] No. I consider it to be another entity on the right of the political spectrum. As far as economic policy is concerned, both parties are pursuing the same aims.

[Bednar] So, you are not worried that you will eventually become an intellectual group without any real possibility of attracting voters?

[Porubjak] I am not worried about this, because the fundamental pillars of our program will be sufficiently convincing to our voters.

Dlouhy Interviewed on Energy Policy, Economy

AU3001152292 Prague LIDOVE NOVINY in Czech 29 Jan 92 FINANCNI NOVINY supplement pp 1, 2

[Interview with Federal Economy Minister Vladimir Dlouhy by Milos Kubanek; place and date not given: "Different Prices Connote Customs Duty"]

[Excerpts] [passage omitted] [Kubanek] According to the energy program which has been adopted, energy price controls should be gradually removed by 1995. Is there no danger of the republics setting their own energy prices during this period?

[Dlouhy] This situation occurred last year with lignite. The Slovak lignite price is much higher than the Czech price. The federal government clearly articulated in the division of power debate that one of the basic attributes of a common state is a view of the economy as one system. I believe that this must apply to all commodities, including energy and energy suppliers. In Austria and Germany the prices of energy also differ, but territorially according to the cost, which is appropriate. The same will happen here, but the differences should not be based on crossing the republic border. They should be regionally-based, such as a price difference between northern Bohemia and central Slovakia.

[Kubanek] I think that such a situation could be quite common, particularly after the elections, and that conflicting situations will arise when one republic with subsidized energy prices buys energy supplies from the other where the prices are not subsidized....

[Dlouhy] The power division debates must find a minimum mechanism that would act as a built-in safeguard to prevent such occurrences without prior consultation with the federal government or the other republic. If such a situation actually arises, the risk of competitive imports will certainly follow. In such an event, the other republic would have to introduce customs duties or other trade barriers to stave off competition. This, however, is against the fundamental idea of a common state. In this context, I consistently try to say: If you insist on an autonomous setting of economic parameters, you open yourself to risks which can effectively worsen the situation in the republic or region. It could lead, for instance, to competitive imports which would squeeze the producers who we wanted to help through these prices. That, of course, increases unemployment.

[Kubanek] According to the energy program, all energy prices basically should be liberated after 1995. Does that mean literally that after this date the free market will govern the power supply?

[Dlouhy] No, that is not a precise interpretation. It will be a substantial deregulation. Every country regulates its power utility in some way and so will Czechoslovakia. It will not be regulation through prices as much as some legislative norms to break monopolies, provide safety and technical standards, adjustments to the situation in Europe, etc. [passage omitted]

[Kubanek] The current sales tax on gas and diesel fuel should be replaced by a different, special tax. What kind of tax would it be and what are the tariffs?

[Dlouhy] It is a consumer tax. In general, we recommend lower tariffs for energy sales. For social reasons, we do not want to increase the prices above an acceptable level. This does not necessarily have to apply to these commodities. The tax rates have not been set and they are the subject of ongoing deliberations. These talks are considering the projected impact of various solutions, not only on the population but also on the national economic sectors and the state budget. At the same time, it is necessary to take into account our continuing near-total dependence on raw materials from the former USSR, and therefore, our vulnerability in this respect.

We want to return to the discussion of green [subsidized for farmers] and blue [subsidized for railroads] diesel fuel. It is true that this system is used in Germany, Austria, France, the Netherlands, and Denmark. The system must be administered perfectly on the technical side, however, so that it cannot be abused. On the other hand, we are talking about consumer taxes, and if gas and diesel fuel are not used for public consumption but rather for manufacturing, applying consumer taxes here does not make sense.

[Kubanek] Is a tax increase on regular consumer gas expected?

[Dlouhy] The consumer gas must be taxed at a rate comparable to that in developed economies. [passage omitted]

[Kubanek] The export promotion policy which has been adopted should be implemented within the next few months. The main point of this policy is the establishment of a banking institution that will provide credits to promote exports. Who will finance this institution and what will be the conditions for providing credit?

[Dlouhy] This institution is only on the drawing board and I have the outline of it on my desk. Nonetheless,

individual bodies have already named their representatives who are supposed to get it started. It should be an institution outside the ministry, a true banking institution. The state budget includes a grant to aid its establishment. The institution itself is, above all, to provide insurance against some risks and guarantees of credits from elsewhere. It may include also a somewhat questionable issue, which exists, however, in some Western export promotion institutions—coverage of the difference between domestic and foreign interest rates. [passage omitted]

[Kubanek] Will this institution be financed from your ministry's budget?

[Dlouhy] No. The state budget has 500 million korunas for this. [passage omitted]

[Kubanek] You have just been appointed chairman of the new Council for Foreign Assistance and Cooperation. What does this institution entail?

[Dlouhy] It means that this ministry has been entrusted with the coordination of all foreign assistance. It is a reaction to the previous situation where incoming assistance had been distributed among several ministries and resulting in complete chaos. [passage omitted]

[Kubanek] The new customs code, which increases duties on food by more than 100 percent, came into effect on 1 January. How long can this situation be maintained from the GATT point of view?

[Dlouhy] It was discussed with and approved by GATT. These were not simple talks. I am somewhat heartsick on this issue, as I went into the reform believing that the economy must open to foreign competition. The concurrence of the natural depression triggered by the reform and the depression stemming from the collapse of the Eastern markets demonstrates that social feasibility of the reform is a rather complex problem and that certain domestic manufacturers have to be given a chance. Therefore, I believe that the restructuring of customs tariffs was an enormous task admirably done, and one which has not received the appreciation it deserves. [passage omitted]

Klaus Reports on Privatization, Coupons

LD3001234892 Prague CSTK in English 1843 GMT 30 Jan 92

[Text] Prague Jan 30 (CSTK)—Czechoslovak Finance Minister Vaclav Klaus today said 4.8 million of the total of 10.3 million citizens in the Czech Republic and 2.06 of the total of 5.3 million citizens in the Slovak Republic registered their coupon booklets for the first wave of privatisation of large enterprises in Czechoslovakia by January 28.

Addressing a session of the federal government, Klaus said these numbers are expected to go up to 5.5 million in the Czech lands and 2.4 million in Slovakia by the end of January. The current ratio between those registered in the two national republics is 0.46 higher than the optimum (2-1) in favour of the Czech Republic (2.46), Klaus said. By January 27, there were 223 investment privatisation funds in the Czech Republic and 135 in the Slovak Republic, Klaus said, adding that all of them were given consent by the Finance Ministry to register. In the near future the federal government will submit to parliament bills to regulate the creation and activities of investment companies and funds, Klaus noted.

He said the total value of enterprises to fall within coupon privatisation will not be less than 250,000 million crowns (8,621 million USD). Coupon privatisation is not financed from the state budget, Klaus said. After it is over considerable sums will be transferred to the national property funds of Czechoslovakia's two national republics.

The current incomes from the sale of coupon booklets (each at 35 crowns; 1.21 USD), coupon stamps (each at 1,000 crowns; 34.5 USD) and information booklets will total about 7,900 million crowns (272 million USD). After registration of coupon booklets individuals over 18 may trade their coupons for company shares. The cabinet today approved an amended government decree on the issue and use of investment coupons which regulates the activity of investment privatisation funds (IPF) which must distribute its stock among at least ten enterprises.

The decree also includes a section under which the federation or the republics' civil servants or employees of the State Bank of Czechoslovakia are not allowed to become members of an IPF management. The Federal Government approved a bill establishing a Conference on Security and Cooperation in Europe (CSCE) Secretariat in Prague and on privileges and immunities of the Secretariat and other CSCE institutions. The cabinet accepted observer status in the Organisation of American States.

A draft tariff law, which the government adopted, is in accord with similar laws valid in the European Community (EC) countries and provides for greater powers of customs authorities. The government also approved a bill on stock exchange and an amended law on telecommunications which makes possible the participation of other than telecommunications organisations as well as small businessmen in the area.

Antall Outlines Position for UNSC Meeting

LD3001203692 Budapest MTI in English 1903 GMT 30 Jan 92

[Text] Budapest, January 30 (MTI)—Prime Minister Jozsef Antall today outlined the Hungarian position to be presented at the Friday [31 January] summit of the UN Security Council.

The prime minister also spoke about his meetings on this subject with the British and U.S. ambassadors earlier this week.

Spokesman Balazs Laszlo said that South African Prime Minister F.W. de Klerk would visit Budapest on February 5, and German Chancellor Helmut Kohl from 6-7.

The Hungarian-German Basic Treaty, initialled late last year, will now be signed during Kohl's visit. Laszlo said it was very important that the treaty declares German support for Hungary's application to join the European Community.

The government has decided to arrange new bilateral agreements on goods and passenger transport with Yugoslavia or its former member republics. The new accords should also lay down the liberalization of goods traffic. Transport contracts have to be worked out with other European countries as well.

The Foreign Ministry is to start talks with the Greek Government to settle the problem of transit taxes on trucks.

Under an earlier agreement, Hungary and Greece mutually exempt 15,000 trucks from the road tax. They might offer partners to increase this quota, but there was also talk that the government may take the question of the transit fee to parliament again.

Szabo Addresses Assembly on Budget 'Discrepancies'

LD3001114892 Budapest Kossuth Radio Network in Hungarian 1408 GMT 27 Jan 92

[Speech by Tamas Szabo, minister without portfolio, at a National Assembly session in Budapest—live]

[Excerpts] Mr. Speaker, Esteemed House, in place of Finance Minister Mihaly Kupa, who is having official discussions in Stockholm, I would like, on his behalf, in accordance with the government rules for substitution, to make a statement on the discrepancies between the text of the 1992 State Budget, as appeared in MAGYAR KOZLONY (OFFICIAL GAZETTE) and the amendments voted for in this House.

Parliament, on 31 December 1991 at 1400, after almost 24 hours of marathon voting, adopted the law on the 1992 State Budget and regulations concerning the management of public funds, the 1991 Budgetary Law. Before the final voting, in accordance with the house rules, the examination of coherence took place. This means the examination of whether the amendments accepted, the amendments which did not get accepted, and the bill as a whole do not contradict each other. On the basis of this examination, before the final voting, the Budget Committee submitted a proposal for the voting and established the final total sum of the budget. The Ministry of Finance, as is customary, carried out an investigation to identify any mistakes, and the first results of this were ready by 10 January. In the bill accepted by parliament and the provisions of the law announced, there are indeed certain discrepancies. To eliminate these, the government, following its next session, will, if necessary, submit a proposal to amend the law. This will not affect the main sum accepted on the basis of the proposal from the Budget Committee, which hopefully will therefore not require correction. According to the investigations carried out so far, the text of the law published contains smaller contradictions in several places due to mistakes in the manuscript, or printing errors, which, however, can be remedied by simple corrections in line with usual procedures. According to the evidence of investigations so far, another group of mistakes noted are ones which require corrections but do not in essence contradict the intensions of deputies and the committees. [passage omitted]

Esteemed House, the country does have a budget; it would be best if we could conclude these few disputed questions as soon as possible, for which we call for your help.

The government will conclude the mentioned investigations before the end of the week, and the finance minister will inform the House about this in a statement. This will be avaliable for deputies to assist them during the debate on possible amendments. I would like to add at the same time that the discovered inconsistencies do not cause and did not cause any delays in the implementation of the Law.

Esteemed House, I thank you for your attention in the hope that with your help the indicated problems can be solved within a very short time. I ask you to accept my presentation and I thank you for your attention.

Walesa 'Taken Ill' With 'Severe Virus Infection'

LD3001160392 Warsaw PAP in English 1409 GMT 30 Jan 92

[Text] Solina, Jan. 30—President Lech Walesa was taken ill on the first day of his winter vacation in the town of Solina in southeast Poland and is suffering from complications of the respiratory system after a severe virus infection that affected also his wife and four children, the president's doctor has revealed.

The presidential office announced on Thursday [30 January] that Lech Walesa will have to undergo further treatment and may not be able to attend the session of the Council of Europe in Strasbourg on February 4.

The president and his family went on a week-long holiday to the mountains early this week.

Sejm Criticizes Government on Power Price Rises

LD3001233192 Warsaw Radio Warszawa Network in Polish 1900 GMT 30 Jan 92

[Text] The Sejm adopted a statement today concerning the price increases for power [recent increases in gas and electricity prices]. It reads: the Sejm, having heard the government report on the reasons for, and the way of introduction of the price increases for sources of power, deems the way in which the increases of the official prices of electricity, gas, and heating were introduced without earlier consultations with the trade unions as envisaged by the law, as unacceptable.

In the face of the existing conflict, the Sejm calls on the government and the unions to reach an agreement.

Burglars Try To Steal Report on Arms Industry

LD3001200692 Warsaw TVP Television Network in Polish 1830 GMT 30 Jan 92

[Text] Last night there was a break-in at the seat of the Union of Real Politics in Warsaw. A police investigation is in progress. The view of [Party leader] Janusz Korwin-Mikke is that the break-in was associated with a secret report on the Polish armament industry. At a news conference yesterday, the party leader disclosed the existence of the report to journalists. Janusz Korwin-Mikke states that burglars were looking for this particular document.

[Begin recording] [Korwin-Mikke] Nothing special was stolen. A safe has been untouched so has a money box. [end recording]

The losses suffered by the Union of Real Politics amounted to 1.8 million zloty, which was the price of new locks. The secret report was not found by the burglars. Janusz Korwin-Mikke had it with him all night in a black briefcase.

Roman Calls For Reunification With Moldova

AU3001143392 Bucharest AZI in Romanian 28 Jan 92 pp 1,5

[Speech by Petre Roman, leader of the National Salvation Front, at the National Union Council meeting, in Iasi on 24 January: "The Moment of Reunification Must Be Prepared Wisely and Rapidly"]

[Excerpts] We are waiting for days like this, just as we are waiting for the liberation, waiting for days in which political passions give way to national interests. Many of us believe in different political ideas and support different drafts for economic reform. For all of us, however, there is a unique reality that is always stronger than the differences that arise from our positions, whether they be a little to the right or a little to the left of the political spectrum; I am talking about the fact that before all else, first and foremost, we are Romanians.

We are people who together make up a complete and representative section of the entire Romanian nation. We are very different people here but precisely the presence of us all here shows that the country is pursuing democracy. This separates us from an ugly and evil past and gives us hope for a better life.

We have gathered here, on this day that is already hallowed for our nation [anniversary of unification of Moldova and Wallachia] to discuss and propose within the framework of this National Union Council how we can achieve, completely and without being indebted to the future, the process of Romania's national reunification. On behalf of the party that I represent, I want to greet the presence in this hall of our brothers from the other side of the Prut River who have been waiting for almost 52 years for this hour that gives new and unique hope for the entire nation. [passage omitted]

I would like to be clearly understood, especially by those parties that, for various reasons, consider themselves in opposition to the program of the National Salvation Front [FSN]: On behalf of my party I do not propose to you a form of cooperation that would eliminate and level the differences between our groups, because precisely these differences offer the guarantee of an truly solid establishment. [passage omitted]

I suggest that we not abandon the identity of our parties because only political pluralism can guarantee a solid future and, at the same time, let us not forget that we have to build together—because we can build only together—a reunified Romania. [passage omitted]

I also hail the presence of the representatives of trade unions, because they offer us an additional guarantee that is so necessary for all our tomorrows. I hail the presence of the youth and student movements; this generation is indispensable to each solid political and national establishment and has the right to have a say in things because the future we are building together is not ours but theirs and must be built according to patterns that suit not people of our age but the young people.

For 52 years on end, as the result of an imperial doctrine that we cannot say for sure has disappeared with the disappearance of the USSR, an imperial doctrine that was consolidated and hypertrophied through the communist system, our nation was rendered into two parts. Today, we face the huge task of preparing the reunification carefully and without errors. We have to decide in what way can we work together in order to avoid leaving things to fate, because history has not favored us, Romanians, and if at other times we have defeated fate with the courage of our nation and the almost incredible military resistance of this people, who shed their blood on each furrow of our country's soil, today we need and can fully use such courage, because our allies are the appropriate way of thinking and reasoning reflected in this unification draft that we are discussing today.

For half a century, part of the nation and part of this country's soil were forced by the most powerful means available to the communist totalitarian regime to forget its natural links and to direct its economy toward different horizons. It is our duty today to discuss and to decide how we should prepare the moment of reunification and how all natural links within this nation can be restored; for, while the links of the spirit and mind have been preserved unbent despite the 50 years of pressure by Moscow and despite Bucharest's lack of interest and incapability—up to 1989—we have to restore—and this is not easy—the links of our common life and work with the same opportunities and prosperity, and the links of rapidly restoring all the components of our society. [passage omitted]

Today we should not just copy the past; we should not just rebuild by looking back to the past; today we have the will and strength to build a new unity, a unity of tomorrow, a unity with deep roots not just in our whole history, but also in the European realities of today. Take Germany, for instance: Its political unification did not solve all economic integration problems overnight. Then look at Yugoslavia, which is falling apart, also because of the economic disproportions between the various regions and republics. These two cases of current history compel us to think even more and act wisely, resolutely, and rapidly so that our reunification is indisputable (although there will be many people to contest it) and definitive (although there will be many people who do not even want it temporarily), that it is recognized de jure, because de facto integration and reunification can and will be pursued to the last extreme, that it is unconditional (both in the country and abroad), and—I repeat—that we achieve it without mortgaging the future, because it would be a catastrophe to take a step forward today only to cancel it tomorrow because it was not properly thought out and prepared.

The surest way is the democratic way. Once it is prepared properly and as rapidly as possible, the reunification can be decided for good (only) by our brethren on

the other side of the Prut River. Without the nation's own decision, that is, without democracy, nothing can change for the better in our country. [passage omitted]

Thus, let us not leave anything to chance, because we have to work tirelessly and without making any mistakes toward the success of our reunification—our supreme duty toward the nation and an act of responsibility toward the entire democratic, civilized, and free world.

The history of our nation has always been characterized by policies of faits accomplis. For us, the accomplished fact means to swiftly and thoroughly prepare the reunification. No one can stop us from wisely restoring Romania's historic borders, which were recognized as long ago as the end of World War I. [passage omitted]

Occasionally, there are times of national upsurge, such as the times we are living through now; thus an initiative at the right time, when everyone feels this need, turns, as if by magical power, into a tremendous movement of sweeping proportions that fills people's hearts and captures their imagination. At the end of this tremendous movement and after great and tireless efforts, we will be able—I am sure—to experience the hour of our nation's final reunification.

So help us God!

Bucharest Will Print New Moldovan Currency

AU3001205192 Bucharest ROMPRES in English 1942 GMT 30 Jan 92

[Text] Bucharest ROMPRES, 30/1/1992 — To help the National Bank of Moldova introduce the national currency (the Moldovan leu) into the market, the National Bank of Romania has informed it will issue the first emission of this currency in its own printing office.

Government Spokesman Addresses Election Issue

AU3001192692 Bucharest ROMPRES in English 1752 GMT 30 Jan 92

[Text] Bucharest ROMPRES, 30/1/1992—At her press conference this week Government spokeswoman Iolanda Staniloiu invited the secretaries of state of the Local Public Administration Department Doru Viorel Ursu and Mircea Teodor to clear up questions related to the executives' actions for a smooth run of the February 9 elections about which press articles published both at home and abroad seem to have doubts.

Mr. Doru Viorel Ursu read a note referring to the National Republican Institute (IRI) document which contains pre-electoral estimations, general considerations, conclusions and recommendations that can be considered as a transfer of experience and information necessary for free and fair elections. He pointed to the provisions of the law regarding the setting of election returns and the procedure of stating the winning candidate, which, in his opinion, were not well understood by IRI.

The Romanian authorities involved in the preparation and organization of local elections are appreciative of IRI's efforts to make a preelectoral evaluation, but one can note that there is a tendency of "believing groundless assertions or speculations and of taking over wrongly interpreted legal provisions on the basis of which generalizing assessments are made and hasty conclusions are drawn."

Mrs. Iolanda Staniloiu surveyed Premier Theodor Stolojan's consultations this week with the ministers of budget, state income control and financial control, of agriculture and the food industry, of trade and tourism as well as with the governor of the National Bank on questions linked to the ensurance of financial assistance to such projects as the nuclear power plant of Cernavoda as well as to adopting government resolutions in the sphere of agriculture regarding a proper unfolding of spring farm operations. Mrs. Staniloiu also informed the audience about the holding of consultations on finding ways to maintain the current exchange rate of the leu.

The spokeswoman for the government, Iolanda Staniloiu, put at the Romanian and foreign journalists' disposal a rich agenda including questions analysed by the cabinet. So, surveying the way in which the State Authorities Council works, the government noticed that that body did not appropriately ensured state capital interests, which exerted a clear negative influence on the activity of commercial companies, especially as regards price policy, earmarking of founds for the retechnologization of production units, wages, privatization and cooperation with foreign partners.

Consequently, the government debated a bill suggesting the dissolution of the State Authorities Council, the setting up of a Shareholders' General Assembly with state-run commercial companies as well, guaranteed representation of state capital interests by an official from the Ministry of the Economy and Finance and from the relevant ministry, irrespective of its being unique, majority or minority.

The government approved of the foundation of scientific research centres under the Romanian Academy like the Economic Research Centre "Gheorghe Zane" in Iasi, a centre for new electronic architectures in Bucharest, a cancer research centre in Iasi, an immunology centre in Bucharest under the Virology Institute "Stefan S. Nicolau."

The newly created institutions will function as fundamental and advanced research units, without any juridical personality, with scientific and economic autonomy, within the limits of the Academy's personnel number and funds.

FSN Receives More TV Campaigning Air Time

AU3001194992 Bucharest ROMPRES in English 1901 GMT 30 Jan 92

[Text] Bucharest ROMPRES, 30/1/1992—The January 30 joint session of the Senate and the Chamber of

Deputies that ended the current special session of Romania's Parliament was full of surprises. None of the documents included in the agenda and approved in plenum was discussed owing mainly to the absence of more than half of the Parliament members. Consequently, it was agreed upon that the texts which aroused differences between the two parliamentary chambers, namely the bill regarding the organization and functioning of the Romanian Intelligence Service and the parliamentary commission's Harghita-Covasna report, would be approached after the local elections on February 9.

The plenum agreed to discussing another topic: The FSN [National Salvation Front] parliamentary's group request the for the extension of TV broadcasts time for the local election campaign. After several hours of controversial debates it was decided that starting January 30 the broadcasting time for it be proportional to the number of lists registered across the country.

The Senate and the Chamber of Deputies will resume works in plenum on February 11, in a first ordinary session as provided for by the constitution.

Hardly had the Parliament's session closed that the first official reactions occurred. So, the National Republican Party's Directorate sent a statement to the national news agency ROMPRES to protest against the FSN's choosing this period, only one week or so before elections, to have a longer time for the campaign in the TV broadcasts, which means that it will exclusively dominate it.

A new unfair election manner—pro-FSN—of casting a shadow on the political opposition in the country is thus achieved, the statement says.

We assess it as an FSN election strategy because, though a member of the parliamentary election propaganda commission, it has not protested so far, the Republican Party's leadership shows in concluding its statement.

Opposition Wants More Media Coverage

AU3001200092 Bucharest ROMPRES in English 1921 GMT 30 Jan 92

[Text] Bucharest ROMPRES, 30/1/1992—The Joint Democratic Opposition (ODU) is an electoral cartel that fights for the accomplishment of the ideals of the December revolution, and we think its leading role is to achieve the unity of the whole extraparliamentary opposition in a single bloc, underscored ODU Secretary-General Gheorghe Simionica at a press conference held in Bucharest on January 30. He also showed disapproval of the space the television gives to the extraparliamentary opposition, assessing that the Romanian Parliament's decision according to which the parties will avail of a TV broadcast time proportional to the number of lists registered was a discriminatory criterion. So, only the ruling party will benefit by it, he opined.

Paper Argues Fair Wages Beneficial for Progress

AU3001095692 Bucharest TINERETUL LIBER in Romanian 23 Jan 92 pp 1,5

[Doru Lionachescu article: "Minimum Salary, Maximum Poverty"]

[Text] The negotiations on the collective labor contract at a national level—which turned into a real fight to impose a certain limit on the minimum wage throughout the economy—marks an important step on the way to the so much desired normal trade union- employer relationship. This process of reaching a compromise on pay—one as widely accepted as possible— was undermined by the state because of two basic faults in the negotiations for which it was responsible. The first involved the representation—contested by many people—of the spokespersons of the so called "Romanian proprietors." In the Romania of 1992 there are only two categories of proprietors in the true and strict sense of the word: the state and the private entrepreneurs. To bring to the negotiating table to negotiate with the trade unions directors of commercial firms or autonomous administration units in which the state owns either all or a greater part of the capital, conferring on them the title of proprietor, is a ridiculous farce in bad taste. None of those directors is a proprietor since he is not the owner of the means of production and his pocket is not the one from which the wages are paid. Therefore, the interest of these pseudo-proprietors in holding down the minimum wage level is suspect: First, it is hypocrisy and, second, there is the wish to avoid an outbreak of massive unemployment in state enterprises, especially now that we are moving through the period of transition to taxation of gross income. In this respect, the joint government-proprietor-trade union commission—an older dream of Prime Minister Stolojan—is in fact reduced to a bilateral relationship in which the state, as owner and thus proprietor, and the employees, as representatives of trade unions, are negotiating.

The second basic problem of the negotiations on pay issues is the one I would call "the trade unions' myth on miners' actions." There has been much talk about the idea that trade unions are asking for a minimum salary of 24,000 lei because they want to force the current government to resign and, implicitly, to bring the country back to chaos. Certainly, it cannot be excluded that there are other interests behind these trade union claims than defending wages. However, since we lack proof, it is all pure speculation and reality forces us to examine the minimum wage claims on the basis of the presumption of innocence. The supreme argument of the trade unions—which none of the government statements or news conferences can dispute—refers to the long-term implications of pursuing an economic policy in which the labor force is underestimated. There is no doubt that the most serious implication of that would be to discourage investment in retechnologization: what foreign investor would be so stupid as to bring to Romania, let us say, an automatic assembly line that might cost him

millions of dollars when the same job can be done much more cheaply by paying 50 workers a pittance? The question is certainly rhetorical and the answer could explain why—if the current view on the pay of the domestic labor force is maintained—we will be struggling for years on end in the same poverty and the same misery. According to all world statistics, Romania ranks among the last countries as far as labor costs are concerned, because it is twice as cheap as in Hungary for example, and over 1.5 times cheaper than in Czechoslovakia. Very well, some would say, this is a great trump in the struggle to attract foreign investment. Very bad, I say, because no investor will come to Romania to invest capital in retechnologization of our economy except those interested in making use of the comparative advantage of our practically free labor force.

One should not infer from the above that we support the trade unions' salary claims. No way. We are aware of the fact that by failing to correlate pay increases with productivity is committing clear suicide and could cast us into an inflationary spiral that will stifle us all: ministers, politicians, trade unions, and simple workers alike. At the moment, inflation is the greatest threat to Romanian society, because one cannot ensure social protection against inflation; no such thing has been invented yet. Our only chance of stopping this economic gangrene, namely inflation, is a dialogue between those in power and the trade unions, with each side assuming its share of responsibility. Depending on the outcome of this dialogue, we will either move forward or be stuck in the mud, because I am convinced that there is no way back except for psychiatric patients or for various people who profited from the communist regime. But today sticking in the mud in fact means going backward, whereas Hungary, for example, will have a zero real economic growth in 1992, meaning that it will halt the decline, and envisages 1993 as the first year of real economic growth. The world around us is moving and if we lag behind, we should not blame the Gypsies, Jews, or Hungarians.

International

Republic Leaders Comment on Goulding's Visit

Jovic on 'Minor Obstacles'

AU3001204792 Belgrade RTV Sat TV in Serbo-Croatian 1830 GMT 30 Jan 92

[Interview with Dr. Borisav Jovic by an unidentified reporter in Hamburg 30 January; reporter speaks in German followed by Serbo-Croatian translation, Jovic speaks in Serbo-Croatian followed by German translation—recorded]

[Text] Dr. Borisav Jovic, member of the SFRY Presidency from Serbia, gave an interview to the German Television Network Atelier from Hamburg this evening.

When asked to comment on what the moderator of the German Television Station called Marrack Goulding's failed peace mission, Dr. Jovic replied that this mission has not failed, but that there remain only some last, minor obstacles to be removed. Let us listen to some more excerpts from this interview:

[Reporter] What does Mr. Babic want?

[Jovic] Mr. Babic is expressing a certain degree of mistrust in Croatia, because the UN blueprint envisages the disarmament and demilitarization of Krajina, but it does not envisage the disarmament and demilitarization of Croatia, and he is afraid of this.

Bearing in mind bitter experiences, Babic is afraid that Croatia will not observe the rules of the game and that it will attack Krajina.

[Reporter] You said that this is not the biggest obstacle on the way to peace. In your opinion, what is the biggest obstacle?

[Jovic] In my opinion, the biggest obstacle is still the lack of approval by the Croatian authorities.

[Reporter] How should Croatia act?

[Jovic] Croatia should accept Mr. Cyrus Vance's plan.

[Reporter] What are the points of dispute between your side and Croatia at the moment?

[Jovic] As far as we are concerned, there are no points of dispute regarding Mr. Cyrus Vance's plan. We have difficulties with Mr. Babic, with whom we disagree.

Regarding the conflict between us and Croatia, then I could say that this is the matter of relations between Mr. Vance and Mr. Tudjman, and not between us. [sentence as heard]

[Reporter] Serbian President Slobodan Milosevic accepted the UN peace plan. What was the reason for this?

[Jovic] Milosevic not only accepted the plan. We were the ones who proposed this plan. Therefore, it is perfectly natural that the plan was accepted when our side proposed it. Mr. Vance formally elaborated on this plan, but it was our demand that [words indistinct].

[Reporter] Here is a short last question, Mr. Jovic. If one can believe Mr. Goulding, the deployment of the UN peace keeping troops has been postponed. If the deployment is postponed, is there a danger of the war breaking out again?

[Jovic] The danger of the war breaking out again is constantly present, bearing in mind the very delicate problem of relations between Serbs and Croats on the territory of Krajina, but I can say to the German viewers and to all other viewers who are interested in this issue, that there is no danger whatsoever from the side of the Yugoslav Peoples' Army, from the Serbian territorial [Jovic corrects himself], the Territorial Defense and the Serbian volunteers, because it is of vital interest to us that peace is established and a political solution to the problem found. However, we cannot guarantee the other side's view.

[Reporter] How realistic, how strong, is the danger that the fighting again will escalate in the next few weeks?

[Jovic] You must ask the other side. We are not aware of their real intentions. But we are on alert, considering the experience we had with them in the past.

[Interviewer] Thank you very much for the interview, Mr. Jovic.

[Jovic] Thank you and best wishes.

Hadzic Reiterates Stand

AU2901174092 Belgrade Radio Belgrade Network in Serbo-Croatian 1400 GMT 29 Jan 92

[Excerpt] [passage omitted] Paying tribute to the Mirkovci people for their heroic struggles and victory over the Ustashas, Goran Hadzic, president of the Government of Slavonia, Baranja, and western Srem, said that no one had the right any longer to call on this people to move out and emigrate. He then added:

[Hadzic] With all our forces we are advocating—now that we are at the end of the road as the aim is being achieved and can be seen—that the Serbs in the Serbian regions we have so far liberated firmly remain on their territory and that these territories will be Serbian forever. Be sure that the leadership will never at any point accept any option that means that these regions that we are now talking about would remain in the Republic of Croatia. We said no a long time ago, and this no could mean a struggle if need be, because we will not allow ourselves to remain in Croatia.

Our aim is for Serbian tragedies and Serbian deaths to stop once and for all and for us to achieve our aims in a democratic way. I am aware, and you know this, of what

we discussed, and my opinion regarding the issue of negotiations with the Ustashas. However, this time the UN is coming as a guarantor of peace. We will not accept the UN program if it says that the UN is coming to the territory of the Republic of Croatia. This is the most important paragraph of this UN plan. Other things will be discussed further, and compromises can be made, but there can be no compromise regarding Croatia and negotiations with Croatia. Be sure of this.

[Stojcic] At the end, Bishop Lukijan held a requiem in honor of 50 dead Mirkovci defenders in the Mirkovci Orthodox Church. Wreathes and flowers were also laid on their graves.

Interrepublic

Economic Prospects of 'Third' Yugoslavia

92BA0384B Belgrade POLITIKA in Serbo-Croatian 3 Jan 92 p 12

[Article by R. Nikolic: "After the Formation of New States in the Balkans: The Future of a Third Yugoslavia"—first paragraph is POLITIKA introduction]

[Text] The new national society would have certain territorial and population advantages because it would encompass almost half of the SFRY. Economic connections with the former Yugoslav republics would still have to wait for a time because the interruption would cause chaos in individual economic branches and enterprises.

While uncertainty still lasts about the final fate of the former SFRY, yet another can be added to the assumptions on the theme of what will be afterwards: How, in the economic sense, a country made up of Serbia and Montenegro (and possibly Bosnia-Hercegovina) would look. This variation imposes itself all the more because the three remaining republics—Slovenia, Croatia, and Macedonia—have already officially applied to the EC for recognition of independence. To be sure, the leadership of Bosnia-Hercegovina has sought the same, but not sufficiently in unison and legitimately as the others, since the Serbs in Bosnia have opposed it.

What, therefore, would be the economic and developmental opportunities of a state composed primarily of Serbia and Montenegro? This option was reported on at a recent meeting of Yugoslav economists (the former Opatija group) by Dr. Dragutin Marsenic, professor of the Economics Faculty in Belgrade.

Developmental Challenges

On the basis of estimates made by Dr. Marsenic, the new state could first mean the opening up of developmental challenges rather than the continuation of the kinds of barriers that have existed in recent years in the Yugoslav economic area. The developmental opportunities stem from the territorial and population size of Serbia and Montenegro, with the essential fact that these geographical areas possess appreciable natural resources.

The areas of Serbia and Montenegro encompass more than 100,000 square kilometers of the SFRY, almost half of the territory of Yugoslavia. In comparison with other states in Europe, almost neighbors, this is an area approximating that of Austria, Hungary, Bulgaria, Greece. As far as the number of inhabitants is concerned, Serbia and Montenegro would fall among the larger world states, because they would have about 10 million inhabitants. Together with Montenegro, the area of Serbia would be five times as large as Slovenia, four times as large as Macedonia, and twice as large as Croatia.

However, the territorial and population capacities of the new state alone are not a guarantee of good development; there are a number of examples of this in the world. Favorable preconditions would have to be utilized since, according to the analyses of Dr. Marsenic, the area of Serbia is more abundant for agricultural production than the territory of any of the other republics. Moreover, more organized utilization of agricultural terrain makes possible greater production than the needs of the population of Serbia and Montenegro, thereby offering the prospect of exports. Natural resources and energy potential are also in accord with the assessment that the two republics cited can develop successfully in the new society. As to what an economic union composed of Serbia and Montenegro would be like, Dr. Radovan Kovacevic, from the Institute for Foreign Trade, says that it is certain that it would be a more uniform area than was recently foreseen by the Hague documents, or in that which was personified in the customs union.

Cooperation for a Specific Time

"This uniform economic area would presuppose the free circulation of goods, services, and all production factors. Throughout the new economic area, the same market laws in communication with the outside world would be in effect. This also presupposes a uniform customs system and a uniform approach in regulating foreign financial relations," says Dr. Kovacevic.

However, according to the remarks of our subject, the central question is to what degree the market mechanism within this new economic area will be respected. Because, to the extent an autarchical concept of development is implemented, it is difficult that economic cohesion will survive between the united republics, since each would attempt to overemphasize its role.

If, nevertheless, the current economic potential of a union between the republics of Serbia and Montenegro (or possibly Bosnia-Hercegovina as well) is viewed, Dr. Kovacevic is of the opinion that all other former Yugoslav republics would still be forced for a while into mutual cooperation because of economically conditioned production processes.

"For now there is still a strong need for maintaining republic production connections, if one does not want the total economic disintegration of business branches and enterprises. In this cooperation a uniform customs

system towards other parts of the former SFRY or a planning mechanism that would contain certain advantages over one that would be valid for other countries could be introduced by the new society," says Dr. Kovacevic.

Authorized Treatment

This means that, for example, Slovenia, Croatia, and Macedonia could have some favorable treatment in the customs system in comparison with other countries of Europe and the world, but these privileges would have to be reciprocally followed from their side too, in relation to the new symbiosis of the national society. Dr. Kovacevic is of the opinion, namely, that one cannot count on a complete economic interruption of connections because that would simply be irrational even for a new society.

However, it can happen that there is an administrative interruption, conditioned by the political climate, where parts of Yugoslavia that now seek independence would be completely treated in the future as foreign states. One must count on this too, mentions Dr. Kovacevic, but in this case some neutral area (which is now Bosnia) would have to be found, through which many commercial-economic transactions would be drawn. An additional problem in communication between various parts of the once united Yugoslavia would be payments turnover, because there would be different republic currencies on the money market. In this case cooperation would be possible either in convertible currencies or in barter arrangements. But both the one and the other mechanism will mean a lower volume of economic cooperation than the one that makes possible a uniform payments system.

However, no matter how the economic and business life of the new state totalities continues, the earlier experience where inexpensive raw materials and agricultural products were transported at depressed prices from the undeveloped south to the developed north of Yugoslavia will be excluded from it.

[Box, p 12]

Satellites of Germany

"It is clear that Slovenia and Croatia are leaving Yugoslavia and that they are satellites of Germany and Austria. If other republics also drop out, Montenegro and Macedonia will be in the most difficult position, besides Slovenia, because they do not have any production resources," is the opinion of Professor Dr. Mladjen Kovacevic.

Slovenia has a developed processing infrastructure for final products, but competition will eat it up at that moment when it goes out on the European market. It will pull back with work-intensive production, where manpower, and inexpensive manpower at that, dominates the cost structure. They will practically become services.

Everything is uncertain with Macedonia, but its prospects are not the least rosy, because it is a republic that is already on the edge of poverty. Montenegro, however, also has no natural resources. Croatia's only joker is the Adriatic coast.

Serbia, as far as natural resources go, is in good shape and must confirm as soon as possible with whom it will carry out a joint economic policy and in what spheres—foreign exchange, customs, monetary, imports, structural adaptations, and others, according to Mladjen Kovacevic.

—by S. Vujosevic

Federal

Presidency To Review UN Force Deployment

LD3001172192 Belgrade TANJUG Domestic Service in Serbo-Croatian 1644 GMT 30 Jan 92

[Text] Belgrade, 30 Jan (TANJUG)—SFRY Presidency Vice President Branko Kostic has convened an expanded session of the collective heads state for tomorrow [31 January], the Information Service of the Yugoslav Presidency disclosed today. Apart from the Presidency members, the following have been invited to the session: "The top representatives of the federal bodies and the Republics of Serbia and Montenegro, representatives of Bosnia-Hercegovina who are cooperating with the SFRY Presidency, and representatives of the Serbian Krajinas". As stated, the session is due to discuss "topical issues in connection with the deployment of the UN peacekeeping troops in Yugoslavia".

Considers Krajina Objections

LD3101105292 Belgrade TANJUG Domestic Service in Serbo-Croatian 0956 GMT 31 Jan 92

[Text] Belgrade, 31 Jan (TANJUG)—TANJUG has unofficially learned that an expanded session of the SFRY Presidency, at which according to official announcements "current issues connected with the engagement of the UN peacekeeping forces in Yugoslavia" are to be discussed, began at 1000 in the Palace of Federation in Novi Beograd.

The session is being held behind closed doors, and is chaired by Dr. Branko Kostic, vice president of the SFRY Presidency.

The information service of the collective head of state officially announced that, apart from the members of the Presidency, "the highest representatives of the federal bodies and of the republics of Serbia and Montenegro, and representatives of Bosnia-Hercegovina who are cooperating with the SFRY Presidency, as well as representatives of the Serbian Krajinas" have been invited to the session.

Well-informed circles believe that the SFRY Presidency's intention at this session is to overcome the

resistance and reservations which the leadership of the Krajinas have toward certain parts of the UN peace plan.

We have unofficially learned that invitations for this session have been sent to Dr. Slobodan Gligorijevic, Aleksandar Mitrovic, Colonel General Blagoje Adzic, Petar Gracanin, Milivoj Maksic, Slobodan Milosevic, Aleksandar Bakocevic, Dr. Radoman Bozovic, Momir Bulatovic, Dr. Rista Vukcevic, Mile Djukanovic, Dr. Nikola Koljevic, Dr. Biljana Plavsic, Momcilo Krajisnik, Dr. Radovan Karadzic, Dr. Milan Babic, Mile Paspalj, Veljko Vukelic, Veljko Dzakula, Ilija Koncarevic, and Goran Hadzic.

According to inofficial information, all those invited arrived at the session, and Dr. Milan Babic arrived in Belgrade as early as last night.

Defense Secretariat on Hiring Contract Soldiers

AU2601145192 Belgrade RTV Sat TV in Serbo-Croatian 1830 GMT 25 Jan 92

[Dusko Petrovic report]

[Text] Lately there has been quite a lot of talk about the professionalization of the Army, especially after NARODNA ARMIJA carried an advertisement for the employment of contract soldiers and officers for a limited period of time. What is actually going on? We are here in the Federal Secretariat for National Defense to find out.

[Milos Vuksanovic, combat ship captain] Why did we decide to introduce this category of military personnel, that is, the contract soldier? The reasons are the following: First, we wanted to observe the provisions contained in the law, which envisages the existence of such a category of military persons. Second, the contingent of draftees, with which we have been filling up the Yugoslav Peoples' Army, has been reduced a little for well-known reasons—that is, because we are not receiving draftees from some, well-known, republics, and also, because the response in some other regions is poorer. Therefore, we decided to recruit these soldiers to fill up empty vacancies, to have our units staffed to the level needed for the performance of their combat activities.

[Petrovic] For example, the command of the First Military District is seeking a certain number of contract soldiers. Military post Belgrade 4795 needs an unlimited number of future guardsmen—professionals. The advertisement seeks professional snipers, military policemen, saboteurs, tank drivers, decontamination officers, and junior and senior officers. A professional soldier will have a starting salary of 25,000 dinars plus a supplement, in particular, the combat supplement. One can earn from 50,000 to 70,000 dinars per month. Soldiers will be provided with free accommodation in the barracks, food, warm meals, a paid vacation, annual leave, social security, as well as other benefits applicable to persons in the active service. This is also a chance for numerous reservists.

[Ratko Govedarica, colonel] The aim of the advertisement is to attract as many people as possible who are currently part of the reserve units, that is to say, the people who have experienced military life and find a kind of meaning in it. If the situation was not like this we would not know how to fill up the ranks, because we must bear in mind that the people who are completing their national service are still relatively young and cannot make up their minds yet. In my personal opinion we need a larger contingent of persons from the reserve units, especially because we extended the age limit from 25 to 35 years. Within this age span we should be able to find a considerable number of people.

[Petrovic] Does all this mean the beginning of a professional army?

[Vuksanovic] Well, one could not say that this is a professionalization of the army if one takes into account the number of people that we will employ, as well as the fact that we are employing them on the basis of the law that envisages the employment of this category of soldiers.

1991 Census in Yugoslavia Reviewed

92BA0393D Belgrade BORBA in Serbo-Croatian 13 Jan 92 p 28

[Unattributed TANJUG article: "The New 'Ethnic Map'"]

[Text] Belgrade—There are 8,479,775 Serbs in Yugoslavia, making them the most numerous nationality. This is a datum from the most recent "ethnic map" of Yugoslavia compiled from the first figures received from the republic and provincial statistical bureaus, except for Slovenia, whose figures are expected in 20 days.

Of the total number of Serbs, 6,428,420 live in Serbia and slightly more than two million live outside it, according to the figures of the other republics. More precisely, in B-H [Bosnia-Hercegovina] 1,369,258; in Croatia, according to Croatian statistics, 580,762; in Montenegro 57,176; and in Macedonia, according to Macedonian statistics, 44,159.

The next largest nationality after the Serbs are the Croats, who number 4,579,666 in Yugoslavia. In Croatia itself, there are 3,708,308 Croats, in B-H 755,894, and in Serbia 109,214.

In Yugoslavia today there are 2,280,722 Muslims; 1,905,829 of them, according to B-H statistics, live in B-H, 237,358 in Serbia, 47,603 in Croatia, and 57,176 in Montenegro.

There are a total of 2,169,130 Albanians. Most of them live in Serbia, where, using estimates of the Statistical Bureau of Kosovo and Metohija for opstinas in which Albanians boycotted the census, there are 1,686,661, and then 427,313 in Macedonia.

Macedonian was given as the nationality by 1,367,480 inhabitants, Montenegrin by 530,029, and Yugoslav by 688,166 citizens.

All of 430,000 citizens in Yugoslavia did not define their nationality or explain it in more detail or at all. More precisely, under the heading "Others" in the tables on ethnic composition, the republic census takers recorded 252,016 persons, in the category "Unknown" 127,923, "Undeclared" 92,821, while 52,484 citizens in the country declared their affiliation in regional terms.

In the Federal Bureau for Statistics, they say that the first results on the ethnic composition of the population based on last year's census have not been presented according to the uniform classification of ethnic affiliation.

According to those classifications, there are a total of 9,791,475 inhabitants in Serbia; the Serbs represent 65.8 percent, Albanians 17.2 percent, Hungarians 3.5 percent, Yugoslavs 3.2 percent, Muslims 2.4 percent, Montenegrins 1.4 percent, and Croats 1.1 percent.

In Croatia, before the torrent of refugees began, the Croats represented 77.9 percent of the population of 4,760,344, which it was in April of last year. The Serbs at that time represented 12.2 percent, Yugoslavs 2.2 percent, and Muslims 1 percent.

B-H has a population of 4,364,574, in which Muslims represent 43.7 percent, Serbs 31.4 percent, Croats 17.3 percent, and Yugoslavs 5.5 percent.

Of the population of 2,033,964 in Macedonia, 64.6 percent are Macedonians, 21 percent Albanians, 4.8 percent Turks, 2.7 percent Gypsies, and 2.2 percent Serbs.

Montenegro has a population of 615,267. Montenegrins represent 61.8 percent, Muslims 14.6 percent, Serbs 9.3 percent, Albanians 6.6 percent, and Yugoslav 4.2 percent.

In April of last year Yugoslavia had a population of 23,470,000.

Bosnia-Hercegovina

Army Reservist's Presence Criticized

92BA0393C Zagreb VJESNIK in Serbo-Croatian 12 Jan 92 p 6

[Article by Ermin Krehic: "The Montenegrins Are Leaving, Other Soldiers Are Coming"]

[Text] Mostar—The possible decision of the Brussels meeting to discontinue the sanctions of the EC against Montenegro, so it seemed at first, was closely bound up with Momir Bulatovic's promises that the reservists from Montenegro would leave the "hotbeds of crisis." As he read that part of the report from Brussels, the announcer on TV Sarajevo informed the viewers that reports indicated that trucks and buses had already been seen moving toward the Montenegrin reservists in the "crisis areas," "but it was not known whether this was a withdrawal or only a replacement."

The Rijeka Corps Is Arriving

As the hours passed on Saturday, it was not possible to learn anything in Mostar about the alleged definitive withdrawal of Montenegrin reservists from the territory of Hercegovina, and the particular emphasis of our investigation was directed toward the Dubrovnik theater. But we learned from reliable sources that the withdrawal of Montenegrins in uniform from the territories of central and a portion of eastern Hercegovina had been planned even earlier, and that it had absolutely nothing to do with the "Brussels statements." By 20 January, that is, most of the Rijeka Corps is to be transferred to Mostar, and the rate of withdrawal of the Montenegrins will depend on the rate of their arrival. The Yugogenerals obviously do not intend at any point to weaken their forces stationed in Mostar, which are estimated at the moment at 10,000 men. According to our source, some of the forces of the Rijeka Corps will also be stationed in Nevesinje and Bileca. Because military forces originating in Montenegro are in those places, the arrival of those from Rijeka eliminates the need for their further presence! Even though all of this was planned much earlier, it fitted in very nicely with the "Brussels decisions," and contributed to Montenegro's gaining a "new" image, but the situation in Hercegovina will actually not change in any essential way. Nor have there been changes in the military announcements. The most recent was issued in connection with the machine gunning of a freight train which was stopped at a red block signal on the part of the line that passes alongside the Mostar airport. On that occasion, the reader will recall, the soldiers wounded the engineer and brakeman. According to the commanders of the Yugoarmy, "several rounds of rifle fire were fired from the freight train toward the unit of the JNA [Yugoslav People's Army] which was guarding the Mostar airport. Because of the threat to the lives of the soldiers, fire was returned with small arms." The announcement also mentions that this "is not the first case of members of the federal army being provoked from trains of the Sarajevo Railroad Transportation Enterprise. Even before this case," the communique goes on, "there has been an opening of fire or intentionally stopping of trains near the airport, although the Sarajevo Railroad Transportation Enterprise has received warnings in good time that trains must not stop in that area."

Yet Another "Military Truth"

Although it may seem superfluous, it nevertheless appears necessary to continuously demystify "military truth" with arguments! First of all, on the occasion when the train was stopped and people were wounded, the first people on the scene were those same reservists who were fired on from the train. According to what we have learned unofficially, no firearms were found either in the possession of railroad personnel, nor in the train, nor around the train. Had they been, the Army would

certainly have presented this as confirmation of its assertions. The military command says that even before there have been cases of "fire being opened from a train"?! Up to now, however, they have not mentioned those "trifles," although they have been able to protest, for example, the distribution of anti-Army leaflets. Strange! And as for "intentional stopping of trains by the airport," it should be pointed out that at that place, ever since the railroad has been there, there is a block signal that is one of the last checks for safe traffic through the Mostar freight and passenger rail junction. And the train that was machine gunned was stopped for that red signal. According to the military demand, the train would have to continue regardless of the safety of human life and property—on whose behalf the red light was lit. In any case, what does the "people's army" care about the people and property of that people. That is something that its generals, officers, and soldiers have demonstrated countless times.

Pilot Paid 200,000 Yugodinars!

For that matter, why keep accounts when an ordinary soldier from the reserves is getting a monthly pay of more than 20,000 dinars for his "patriotism"? A soldier doing required military service gets 12,000 Yugodinars, and their total number in the city on the Neretva, as we have already said, is estimated at some 10,000. Officers are, of course, paid many times that. The monthly incomes of officers are now a "supreme military secret." The wives of pilots, who previously liked to brag about the earnings of their husbands, have fallen silent. Perhaps they are aware of how those salaries are earned and what the spread is from the "average."

We have learned unofficially that the earnings of Yugopilots range as high as 200,000 dinars. Even back two months ago, Dr. Muhamed Filipovic, professor and member of the academy and vice president of the MBO [Bosnian Muslim Organization], made a public statement that airmen were rewarded with 15,000 dinars apiece for every combat flight over Croatia. And to illustrate the number of flights let us use a detail from the Bihac airfield. On the day of the perfidious downing of the helicopter of the EC mission, that is, during the truce, there were more than 60 flights between 0800 and 1500 hours. By contrast with the astronomical salaries of the Yugowarriors, according to estimates of the Mostar Center for Social Work, in this town at the moment there are about 25,000 in need of welfare and undernourished, and all of 50,000 people in Mostar have a hard time making ends meet. There are enterprises which have not paid salaries for four months, and the workers nevertheless come to work in order to "keep" their jobs! Some 10,000 people in Mostar are registered with employment security bureaus with little prospects of ever getting working papers under these conditions, and just remember that Mostar has a population of 120,000. Half, then, have crossed the lower threshold of subsistence. Meanwhile, soldiers supplied with fresh bank notes from Topcider are emptying the city's stores. As though they themselves are aware that this "prosperity" of theirs will not last long. And indeed: No one's candle has burned until dawn!

Croatia

Relations Established With Switzerland

LD3001183292 Belgrade TANJUG Domestic Service in Serbo-Croatian 1701 GMT 30 Jan 92

[Text] Zagreb, 30 Jan (TANJUG)—The notes on establishing diplomatic relations between the Swiss Confederation and the Republic of Croatia were exchanged today at the Croatian Ministry of Foreign Affairs.

"Switzerland, which was among the first European countries to recognize the independence of Croatia, is—as a neutral country—of extreme importance to us, and it serves as an example with its position and role in world, economic, cultural, and civilizational developments", Assistant Foreign Affairs Minister Dr. Vinko Kandzija said at the ceremony of establishing diplomatic relations between the two countries.

In addition to Italy, Germany, Austria, and Sweden, Switzerland is the fifth country with which Croatia has established official diplomatic relations.

Croatia has so far been recognized by 42 countries.

EC Observers 'No Longer Welcome' in Slavonia

LD2901172792 Belgrade TANJUG in English 1514 GMT 29 Jan 92

[Text] Erdut, Jan 29 (TANJUG)—European observers are no longer welcome in the Serb region of Slavonia, Baranja and western Srem (within the administrative borders of Croatia), because after these visits the Croatian paramilitary troops achieved deadly accuracy on targets which formerly they rarely hit, it is claimed in the Baranja Territorial Defence Headquarters.

Although there are no reliable reports that the European observers supplied the Croatians with information on the positions of the Serb territorials, the people of the Serb region are increasingly distrustful towards the E.C. observers fearing that their departure will be followed by yet another precise Croatian attack.

Baranja Territorial Defence Commander Borivoje Dobrokes firmly said he will refuse any further talks with the European observers and underscored that his hopes lie with the United Nations and the "blue helmets."

In the other part of the Serb region, western Srem, the territorials said that the E.C. mission will in the future have to announce its arrival at least 72 hours in advance so that adequate security measures could be taken. Western Srem also saw a number of instances of E.C. observer visits followed by very precise attacks by Croatian paramilitary troops on the Yugoslav Army and territorials.

The mistrust of the people of the Serb region was increased by the E.C.'s decision to recognize Croatia as an independent state by which move, it is said here, Europe has shown it has taken side in the conflict.

One of the major causes of the conflict in breakaway Croatia is its refusal to recognize the right of the Serb people to self-determiniation and the proclamation of Serbs as a national minority.

Separovic Views Main Foreign Policy Goals

AU2901143292 Frankfurt/Main FRANKFURTER RUNDSCHAU in German 29 Jan 92 p 5

[Interview with Croatian Foreign Minister Zvonimir Separovic by Harry Schleicher in Zagreb; date not given: "We Will not Give Away an Inch of Our Territory"]

[Text] [Schleicher] What are Croatia's foreign policy priorities following recognition?

[Separovic] Having been recognized by 39 countries, our most important foreign policy goal is recognition by the United Nations. Peace in our country is still in jeopardy. We have staked our hopes not only on Europe and the Community of the Twelve, but also on the world and the United Nations and the Security Council. That is where a decision on Croatia will be made, and that is where the resolutions on the deployment of Blue Helmets are made, which we would like to see implemented as soon as possible.

Peace in our country is still very fragile. Apart from the fact that our enemy has been militarily defeated and is morally disintegrating, we are concerned about the fact that he is still powerful and has not yet fully used his war potential, but he is also frustrated. He has probably not given up the idea of keeping the territories conquered. That is why we are now focusing on the United Nations. Our policy toward the United States is, of course, connected with this. The United States has left it to Europe for a long time to make decisions and take action. That is over now. It is now up to the United States to decide whether it will recognize us and what position it will adopt on Yugoslavia.

[Schleicher] Are you seeing some movement in the U.S. attitude toward Yugoslavia, which has so far been rather unfriendly?

[Separovic] There has not really been an unfriendly attitude, but the United States has not understood us fully. It took the United States a long time to see that Yugoslavia does not exist any more. The United States supported the Federal Government under Ante Markovic for a long time, even though they knew that this would mean the extension of communism—the last one in Europe. They apparently believed that this would do less harm, possibly because they were afraid of another hotbed of crisis. In addition, it seemed that Markovic would be able to lead the country out of the economic crisis with his reform plan. That proved to be wrong.

When Secretary of State James Baker said in the UN Security Council in September that above all the Army and Serbia must be blamed, and that Serbia wanted "a small Yugoslavia or a greater Serbia," he already signaled that the United States had begun to change its position by calling the aggressor an aggressor. So we cannot say that the United States has always stood aside and maintained a negative attitude toward developments. However, they have been watching the processes more carefully and from a greater distance than Europe.

Regarding recognition, most European countries as well as Canada and Australia have declared it. Once the United States has recognized us—which is what we are hoping for—the Russian Federation will presumably follow. Then China will be unable to prevent our being admitted into the United Nations by vetoing it in the UN Security Council.

[Schleicher] Doesn't Croatia's anticommunist attitude toward Serbia complicate its relationship with China?

[Separovic] It is certainly undiplomatic but politically correct. We know that the Red Star has not been eliminated everywhere in the Serbian Army. We know that it is backed by the "Communist Party—Movement for Yugoslavia," which was founded by the generals. We also know that Milosevic has carried out the transition from the Communist Party to a socialist party only verbally. As for China, there are indications that it has helped Serbia in many ways. We do not believe that China has done so for ideological reasons, but its assistance is in line with its political view that Yugoslavia as a state should be maintained. Statements made by Chinese politicians suggest, however, that this position is changeable.

[Schleicher] Do you think that the UN troops will be definitely deployed?

[Separovic] The UN units must come, and we will do everything in our power to make sure that they come as soon as possible. We believe that the whole program can be carried out. We assume that the irregular units and troops of the Yugoslav Army will withdraw wherever UN units move in. We cannot leave one-third of our territory in its present state.

Any delay or postponement in connection with the deployment of the UN troops is absolutely negative for us because on the other side, the occupation forces are reportedly digging in, providing cover for themselves, and strengthening their ranks. That is a bad omen. Possibly certain militant circles on our side must be blamed for this development; these circles say that we must wage the war to the end. We do not need the war, we need to have peace, which we can strengthen with the help of the United Nations. This requires patience.

It was therefore wise for us not to launch frontal attacks against the Army barracks. There were such considerations, and we even considered that several hundred thousand people would be killed. It was a murderous

idea. We were too weak and would have created the impression that we intended to destroy the existing order because we had attacked the regular army of an existing state. Nor would such attacks have been warranted under the aspect of international law. Therefore, it is good that the militant demands have disappeared.

[Schleicher] What would happen if the UN troops were not to come?

[Separovic] We have achieved the goal of two-thirds of our territory and the capital being free and the most important communication lines being open. It is quiet now, and we have been internationally recognized as an independent state. That is why I do not like to think about what would happen if the UN troops were not to come. Once the deployment program has been carried out eventually, we will hardly lose anything, whereas the Army and Serbia will undoubtedly lose much. They will be isolated and will have to withdraw to their territory. Their main forces will be disarmed, and the Army will be outside of Croatia. Every new attack on their part will provoke international reaction. That is our gain and their loss.

Our possible disadvantage will be that such a solution could extend the period of time until we achieve full sovereignty of our entire territory. We are, however, prepared to pay this price and will have to accept a certain time—perhaps six months, as envisaged for the deployment, perhaps longer. But by no means 10, 15, or 20 years, as Mr. Jovanovic (Serbia's foreign minister—editorial board) of Belgrade has said. That is out of the question. If such tendencies existed, which would cement the present situation, and if the return of the Croatian refugees were to be prevented and Serbs were to be allowed to settle here—which is what they are already doing in some regions—should all this happen within the framework of the UN, it would be disastrous for us. Then there would be the danger that we lose some of our territory. Our people would never accept that. We will not give away an inch of our territory.

If minor changes are necessary for structural reasons when we define our borders—as we are now doing with Slovenia—we could discuss the problem, even with Serbia. We will, however, not make any major territorial concessions, as one of my recent interviews, the one with LE MONDE, was wrongly interpreted.

[Schleicher] Demands have come up in the public debate in Croatia that the Yugoslav Army be "disbanded" with international assistance. Is this a serious concern of Croatia's foreign policy?

[Separovic] I think this is a logical demand that is based on the fact that Yugoslavia has ceased to exist and has lost its legitimacy. The "Yugoslav Army" does not correspond to its name any more because it is now a Serbian-Montenegrin Army. In this sense, the demand of Croatia, Slovenia, and other republics is warranted also to consider the property of the Yugoslav Federal Army when we take stock of the former Yugoslavia. The Army's property must be distributed just as the Yugoslav embassies and consulates in the world and Yugoslav deposits in banks are.

Croatia would especially be interested in part of the Navy, which has hardly enough room in the Bay of Kotor, but was previously anchored in Split, Pula, and other ports. But it is not primarily our intention to step up our armament and to achieve a major military balance by means of this Army. Our main concern is peace and not preparation for another war. We must, however, also consider our defense. Every country and every individual are entitled to the right to defend themselves.

[Schleicher] Why has independent Croatia not yet recognized the republics of Bosnia-Hercegovina and Macedonia, which are also striving for independence?

[Separovic] In Bosnia-Hercegovina, developments are still in progress, whereas in Macedonia, the Albanians held a referendum on independence. Neither republic has indicated, however, that they intend to recognize Croatia. They have only been recognized by Bulgaria, and Turkey has said it would take such a step before long. These two countries have a special interest in Bosnia and Macedonia. I noted this also during the talks I held in Turkey with the president, the prime minister, and the foreign minister recently. They are considering six million Muslims—more than Croats and Slovenes taken together. They are dispersed throughout the country—some in Croatia, Slovenia, and Serbia, many in Kosovo and Macedonia, most in Bosnia. People have been talking about there being a certain tendency to set up an Islamic state in Europe. Many people do not like this idea.

Zagreb is proud to have one of the most beautiful, newest, and largest mosques on the European continent—if we leave aside the European part of Turkey. This fact also shows the sensitivity and affection toward Muslims with whom the Croats have never had any major problems in the past—with the exception of the Ottoman Empire. Therefore, my answer to your question is that the decision on the recognition of Bosnia and Macedonia will be made by our parliament, and it could be made very soon. This would, of course, have to be on the basis of reciprocity. We want to see the integrity of the two republics maintained.

[Schleicher] What will the more distant future between Croats and Serbs be?

[Separovic] I have said repeatedly that Serbs and Croats have always been and will always be neighbors. They must try to find a common language. In our view, this common language can be found, if three conditions are met:

First, the mutual right of independence and sovereignty within the constitutionally existing borders of 1945 must be recognized;

Second, human rights must be guaranteed to a larger extent to the people on either side of the borders, meaning the Serbs in Croatia and the Croats in Serbia;

Third, Serbia must pay compensation to Croatia for the vast war damage. That could also apply to Montenegro.

Under these conditions we could conclude an agreement on normalization and mutual recognition. I believe that this day will come—the earlier the better.

Croatian Democrats Oppose Bosnia's Division

AU3101104092 Sarajevo Radio Sarajevo Network in Serbo-Croatian 2100 GMT 30 Jan 92

[Text] The division of Bosnia-Hercegovina would also be tragic for Croatia. Bosnia must remain intact, because its division would open up the road to the creation of a greater Serbia. This was stated at a discussion forum organized by the Croatian Democratic Party in Zagreb this evening. Nada Al-Isa reports:

[Al-Isa] Dr. Marko Veselica, president of the Croatian Democratic Party, expressed the belief that the disintegration of Yugoslavia would create an independent and sovereign Bosnia-Hercegovina which will most certainly have good relations with Croatia.

Irfan Ajanovic said that the citizens of Bosnia-Hercegovina will soon hold a referendum at which they will decide on their fate. The question that is being asked is whether one should go into a great Serbia facing a Chetnik knife, or to live in freedom, Irfan Ajanovic said. An independent Bosnia is also in Croatia's interests, because it would protect its eastern border.

Sulejman Ugljanin also held the view that it was the Serbs who were trying to incite Hercegovina to join Croatia, because if Bosnia is divided, the question is whether Croatia will manage to establish sovereignty on the currently occupied territories.

The speech by Ivan Gabelica was very interesting and analytical. He proved that an intact Bosnia is of vital importance for all its three nations, because, if, as some people have suggested, Hercegovina joined Croatia, only one third of Croats living in Bosnia-Hercegovina would find themselves in their homeland, while two thirds would remain a minority. They would no longer be a constituent nation of an independent state. What difficulties would arise? Whom, for instance, would Mostar belong to? There are only one percent more Muslims than Croats in the town and the Mostar hinterland is completely Croatian. This is difficult even to imagine, Dr. Gabelica said.

Expressing regret about the fact that the Serbian people are led by psychiatrists outside Serbia [allusion to Dr. Radovan Karadzic], while in Serbia they are led by patients, Dr. Anto Kovacevic, vice president of the Croatian Democratic Party, concluded that only stupidities in Croatia can save Milosevic. One of the most stupid things was the contemplation about dividing Bosnia. Dr. Anto Kovacevic, vice president of the Croatian Democratic Party, said that if Bosnia-Hercegovina were divided, a part of it would certainly go to the truncated Yugoslavia, that is to say, a greater Serbia. In this way Serbia would cross the river Drina for the first time in history and link the satellite provinces, the so-called Serbian Autonomous Regions in Croatia, with Serbia. This linking would, of course, be done over Bosnia.

JNA-'Chetniks' Split Said 'Increasingly Evident'

LD3001113292 Zagreb Radio Croatia Network in Serbo-Croatian 1100 GMT 30 Jan 92

[Text] According to the data of the headquarters of the Croatian Army, at 0700 this morning the enemy fired 10 shells at Radicev Blok in Vinkovci. It is presumed in the headquarters that yesterday's visit by the so-called president of the so-called Serbian Autonomous Region of Slavonia, Baranja, and Western Srem, Goran Hadzic, encouraged the Chetniks, and at 0650 they demolished Croatian houses in Ceric. In the headquarters they say that divisions between the Yugoslav Army [JNA] and the Chetniks are increasingly evident. It has been learned that Arkan's [Zeljko Raznjatovic-Arkan, Serbian volunteer forces' commander] terrorists are entering military storehouses and taking weapons, and this is provoking armed clashes like the one yesterday.

JNA Considers Selling Naval Units

LD3001195892 Zagreb Radio Croatia Network in Serbo-Croatian 1800 GMT 30 Jan 92

[Text] On the island of Vis, representives of the Yugoslav Army and the Republic of Croatia talked about the situation on that island and the Island of Lastovo. The Croatian delegation, comprising Vice President Mate Granic, and Minister of Maritime Affairs Dr. Davorin Rudolf, proposed to the representatives of the Yugoslav Army, General Andrija Raseta, Admiral Mile Kandic, General Nikola Mladenic, and gunboat Captain Milan Radovic, that the JNA units withdraw from the islands of Vis, Lastovo, and Mljet, and that this proposal be negotiated.

The proposal that a part of the Yugoslav Army fleet be given to the Republic of Croatia was repeated. The value of the fleet would be entered into the final balance sheet. The representatives of the Yugoslav Army said that they would consider the proposals and give their answer.

Spegelj on Status of Croatian Army

92BA0393A Zagreb VJESNIK in Serbo-Croatian 12 Jan 92 p 13

[Interview with Corps General Martin Spegelj, chief inspector of the Croatian army, by Mladen Plese; place and date not given: "Martin Spegelj: There Is No Place for Politics in the Croatian Army"]

[Text] Although some people might find it premature, while battles are still persisting in certain parts of Croatia, to talk about what the Croatian army [HV] will look like when the war is over, we nevertheless decided, because of the importance of this question, to talk on this topic with Corps General Martin Spegelj, chief inspector of the Croatian army. That is, we felt that Gen. Spegelj is a competent informant for the simple reason that he is one of those who laid the foundations of the Croatian army. From the moment he came to head the Defense Ministry of the Republic of Croatia in the fall of 1990, Martin Spegelj was given the task of establishing the Croatian army, and he began to systematically build the model and framework of the future army, against, it is true, resistance and disbelief. Subsequent events, indeed even disputes, distanced him from this project for a time, but when he was reactivated, Martin Spegelj returned to the original task with the thoroughness and professionalism for which he is known.

[Plese] How do you assess the decision to bring in the "blue helmets"? What will their arrival mean to the overall political situation, and what will it signify from the military standpoint?

[Spegelj] In the situation of the dominant political factor, but also the strengthened Croatian military defense factor, the arrival of the "blue helmets" is the optimum solution. It is not the optimum solution solely for Croatia; it seems to me it is also favorable for the other participants in the dirty war imposed on us. Through its policy and military reinforcement, Croatia would anyway win a just outcome of the war, liberation and establishment of a sovereign and democratic state. And the aggressors, regardless of their technical superiority, have never been able, nor can they now, count on a favorable outcome. Aggression against Croatia, indeed armed violence against anyone on the soil of the former Yugoslavia, cannot objectively bring victory to the aggressor. Such methods simply belong to the past. They are neither suitable in the context of global European and world arrangements, nor can they succeed against the democratically expressed desire of a people for its own sovereignty and existence. The policy of forcible constitution of a state against the will of the majority of the people expressed in a verifiable and democratic manner has failed once and for all.

[Plese] Will the arrival of the blue helmets have any importance to the Croatian army?

[Spegelj] The arrival of the "blue helmets" will have a favorable influence on the tasks of the Croatian army. It will gradually take possession of all the garrisons over the entire territory of the Republic of Croatia. That is unavoidable.

[Plese] How do you assess the situation on the fronts of Croatia at the moment when the cease-fire occurred?

[Spegelj] The situation on the fronts is more favorable than before, our position became gradually, but steadily stronger over the last two months. There are many facts to confirm this: successes in western Slavonia, above all the military success of Vukovar (the aggressor would not survive another Vukovar), the definitive stabilization of the eastern Slavonian and central fronts with opportunities for active movement. The situation is similar on other fronts as well. I would add to all that the rapid quantitative and qualitative growth of the Croatian army, which has heralded a new balance of power on battlefields. That is, we are creating a more favorable military position at the moment when the crisis is definitively resolved under the sponsorship of the United Nations and European Community.

[Plese] Along with the abundant praise of Croatian fighters, there has also been criticism of the behavior of individuals in uniform, of breaches of discipline and even the law. Has the situation changed since creation of the military police? What do you say in answer to the criticism that even the behavior of the military police has not always been exemplary and to criticisms of the work of the Security Information Service [SIS]?

[Spegelj] The discipline and behavior of Croatian soldiers are improving. We want to achieve that quickly, and that is why we are reacting harshly to violation of the law, threats to the rights of citizens, etc. This is treated as a serious crime. Likewise, group military insubordination is treated as a very serious crime. No one can evade responsibility for violation of the law, for failure to carry out a military command, etc. There is no statute of limitations on such things, each case will be investigated individually, and appropriate steps will be taken. No one will be saved either by petitions or signatures, nor an appeal to any kind of self-management. The main inspectorate, the Supreme Command, prosecutors' offices, and defense secretariats of opcinas are keeping careful records, and it is just a matter of time before all acts detrimental to the reputation of the Croatian soldier and all violations of the law will be called to account.

But I must say that the situation is improving, and the emergence of the military police has also contributed to this, although it has not been well set up from the organizational standpoint. I acknowledge that bad things may be happening even in the military police; for that matter, it is being created from regular Guards, but I emphasize that offenses or insubordination are treated much more harshly in the military police than in other structures.

Nevertheless, it seems to me that the quality of command, from the lowest to the highest level, bears most of the responsibility for rapid establishment of orderliness, irreproachable subordination, an absolute respect for legality. I want to emphasize that occurrences which we all condemn with full justification and which we absolutely will not forget are nevertheless something inevitable in the whirlwind of war when an army is being created so rapidly. The speed and thoroughness with which the bad things are corrected depends on the authorities I have enumerated. I would use this occasion

to express gratitude to all those who are helping us or will help us in combating all the things that are wrong.

[Plese] Will we have military tribunals?

[Spegelj] I do not believe that we will have military tribunals. I am against different kinds of courts.

[Plese] In the past month, you have visited many units of the Croatian army. What are your impressions and what have you learned? What is the difference compared to the period when the Croatian army was just beginning to be formed?

[Spegelj] In the last month and a half, I have visited almost all our fronts and units. I have been to some places several times. There is an immense difference between the situation back in May 1991 and in recent months.

In May 1991, we had four fairly strong rifle structures of the ZNG [National Guard Corps], and now that is an army of several dozen combined-arms structures with all the features of up-to-date brigades. The brigade structures bring together harmoniously all arms of the ground forces. There are also numerous independent units of the various arms, and so on. There is also the Croatian navy [HRM], as an inevitable branch of the armed forces in our waters, and the Croatian air force [HRZ] is also on the horizon.

You will admit that what has been done in just a year is something that instills confidence, hope, and pride. People should know that in all of this we are still climbing in both the quantitative and especially the qualitative aspect.

[Plese] What is the situation with the officer corps? Is it not true that the Croatian army has a professionally competent and superb Supreme Command, while the professional officer corps is scant at the middle and lower levels?

[Spegelj] We have a shortage of highly trained officers at all levels of the command. It is a fact that for more than 15 years Croats, Slovenes, and certain others had almost negligible representation in the military schools. And those from those nationalities who were serving as officers in the former army were mainly officers with office jobs: engineers, technicians, lawyers, economists, etc.

And when it comes to officers in the reserves, the situation is still worse. So-called "fit" candidates were enrolled in reserve officers' schools, frequently people with elementary or secondary schooling (worker representation was supposedly promoted), and the schooling of those personnel was shorter than the term of regular required military service. It thus happened in quite a few cases that an uneducated reserve officer would in a military exercise become the commander of the highly educated and able manager of his enterprise. The shortage of officers is general except in the technical military structures and those requiring higher education. Right now, we are doing everything possible at the front to organize hundreds of various short courses. Education of the lower-echelon officer corps has begun. But we are aware that at times we must pay a high price in combat for deficiencies of that kind. The most expensive proposition is to train officers in actual combat, for when the selection is made over lengthy experience of a war, then that is the best selection.

[Plese] Do you think about what the Croatian army will look like after the war and how Croatia's defense will be organized?

[Spegelj] It seems to me that we have a period ahead of us in which we will truly forge our own free and democratic life on our own, in a civilized and productive environment. Because I am a soldier, I do think about building our Croatian army. The new Croatian army simply cannot be transformed from some pure model, nor dare it bow to traditionalism.

I see the future Croatian army partly as the backbone of nationwide defense. Not, of course, based on the experiences of ONO [nationwide defense], which was good in its theoretical approach, but in practice it was PNO (antipeople defense). Just think, after all, the army was supposed to "protect the Constitution," and it actually grew up into a seventh dominant republic (its own industry—the so-called military-industrial complex, its own social welfare policy, and so on) with the additional aspect that always, but especially over the last 15 years, it has also been a privileged political arbiter over and above the republics and over and above the nationalities.

First, of course, it will be necessary to work out the conceptions of all the foundations (political, geomilitary, economic, traditional, and so on) and then on that basis establish the doctrinal principles of the army and of defense as subordinate activities and as an instrument of the Constitution and state.

[Plese] In view of Croatia's political and territorial environment and the war that has been waged on its territory, there is no doubt that the Croatian army will for quite a long time be an extremely important factor in preserving Croatian independence, sovereignty, and self-sufficiency.

[Spegelj] I see the Croatian army, which will gradually evolve in altogether peaceful times in a relatively stable environment, as a combination of the most successful models of military organization of some of the states in Europe similar in their size and geographic position.

I will advocate a smaller standing professional army with a draft contingent, and a program whereby the period of required military service is served by civilians for most of the specialties of officers and men. For possible larger defense needs, such an army can develop immense military forces from the people. Models can be taken from several European states, for example: Sweden,

Switzerland, Israel, Austria. We must have a military organization that is markedly economical, but also reliably effective.

The kind of army we need in coming months and years is another question. It is quite realistic to foresee that we will be in a rather earthquake-prone environment, insecure in both military and political terms.

We are waging a war for life or death. Who would have said that the will of the people, expressed absolutely and democratically, would have to be realized with so much suffering and bloodshed? Even if it were all over tomorrow, a very lengthy period of consolidation would still be left, and that will be slow, difficult, and many surprises are still possible. Within the Republic of Croatia itself there is fervent hatred, and grave wounds have been inflicted that will be slow to heal even with the greatest effort and will on everybody's part. All of that will also be influenced by global policy toward the Balkans, but I would say also toward Europe.

Global world policy and, more specifically, European policy, consistent with the well-known European principles, could perhaps have prevented the military (armed) outcome of the Yugocrisis from occurring at all. Why it nevertheless occurred remains to be seen. Still, it seems that global world policy has for too long a time, and perhaps even now, harbored the illusion of preserving Yugoslavia as a new democratic creation with a market economy, but Yugoslavia was stillborn even at its inception in 1918, when it was created to satisfy certain interests of global policy at that time.

Because of all of that, we will not be able to demobilize in a military sense for a relatively lengthy period of time. On the contrary, I favor a strengthening, but no longer of quantity, it is adequate, but of quality, rounding out the army with all the branches, arms, and services in a harmonious relation to one another.

[Plese] How numerically strong should the Croatian army be in order to meet all the needs of Croatian defense?

[Spegelj] That is difficult to put in numbers. Even the total number does not mean very much to the balance of power and effectiveness on the battlefield. In any case, we are talking about some 20 brigades of the ground forces, adequate coastal defense of the HRM and of the HRZ. When I speak about brigades, I am thinking of those formations which are at least approximate (that will not be possible in a very brief time frame) to present-day brigades of the ground forces of the European countries.

[Plese] How will the Croatian army be organized?

[Spegelj] This is a very important and by no means easy question. I am not satisfied with the present organization, even though future solutions are evident even in the present organization. I would not elaborate on that question for the present. That is, there will be quite a bit to do in the organizational sense.

[Plese] How long will the required military service be?

[Spegelj] The law provides for required military service of 10 months. This does not mean that the length of the period would not change during lengthy peacetime development. And as for the present HV, HRM, and possibly HRZ, the length of the period will be increased or decreased according to the security situation. And then the length of the service in the reserves under these wartime conditions will be regulated, but certainly not by what is referred to as "weekend" warfare or a one-month stay at the front. The question of replacing units on the battlefield and then the question of the sole breadwinner, of being essential to activity in the economy, or some other critical economic field must be dealt with differently and exclusively under the jurisdiction of the Defense Ministry, the Supreme Command, the opcina defense secretary, and all of this in accordance with the law and decrees that have legal force.

[Plese] What kind of armament does the Croatian army require? Airplanes, ships, tanks...?

[Spegelj] Artillery of all kinds is necessary, tanks are needed, but, above all, effective antitank weapons are needed. We also need airplanes, but, above all, we need an effective air defense system so that enemy planes cannot fly at any altitude of Croatian airspace. We need warships suitable to what is called a "small navy," for our own territory among the islands and the highly indented Adriatic coast.

[Plese] How do you imagine the influence of the Assembly and other civilian institutions in the oversight of the Croatian army?

[Spegelj] The concept governing construction of the Croatian army must not repeat the mistake of its figuring in the role of political arbiter, even if it comes in by the back door, even if this happens through some institution that would not be under the strong check of constitutional and lawful activity and oversight of the public. The army is, of course, completely apart from political parties and depoliticized and deideologized as an institution. Every member of the army can vote as he pleases in his privacy as a citizen. Political and party affiliation must not have any influence whatsoever on the military career. Active service in the HV is a profession, both promotion and status depend on professionalism, ability, and results displayed in the profession. I think that we will have an immense job to do in establishing relations of that kind in the HV.

Civilian oversight of the Croatian army is unavoidable, and its internal relations and features must be absolutely professional. The intervention of civilian political factors in the system of military subordination and professional organization could be greatly detrimental to both the army and the state. I would not mention that even

now there have been such attempts, because how otherwise is one to interpret the endeavors of certain parties to influence the Croatian army with respect to personnel and policy? Some individuals really have a hard time getting away from the disastrous experiences of the past in this respect.

UN Force Deployment Consequences Considered

92BA0394A Zagreb VECERNJI LIST in Serbo-Croatian 13 Jan 92 p 2

[Article by Milan Jajcinovic: "In a Diabolical Environment"]

[Text] For Croatia today, the question is no longer whether the peacekeeping forces will come, but when they will come. But a more decisive question than that is what their arrival means for Croatia, what effects it will have, and what are the possible consequences of their coming?

The UN forces would undoubtedly halt any further flareup of war in Croatia. That is the most urgent thing for Croatia today. After all, the war is not being waged in some imaginary Baburia, but in Croatia, where real people are dying, not tin soldiers. What else does Croatia get from the arrival of the united blue units aside from peace? The Croatian government is assuming that their disembarkation and deployment—as envisaged by Vance's plan—will force the JNA [Yugoslav People's Army] to retreat and withdraw, the domestic and imported Chetniks will follow it, which will make it possible for the "territorials" to gradually reestablish the administrative and political system of Croatian authority even in the areas that are occupied today.

It is precisely that possibility, i.e., the return of Croatia to itself, extension of authority over all its territory, that Milan Babic is afraid of. He holds that what was "captured with the gun" belongs only to the "krajina," and is by no means Croatian. For him, Croatia stops where "Krajina" begins. Babic's fear of "losing" what he captured with the help of the JNA is not groundless. As a matter of fact, there is very good reason for it. That is why he reacted with such bitterness to Milosevic's political raps on the knuckles (feigned?). The most loyal follower felt that he had been tricked and betrayed, a victim of the leader's alleged selfish interest. Babic interpreted Milosevic's consent to Vance's plan as a delivery of the "Krajina" Serbs to the Croatian authorities. Babic's fear of losing the "state" in this way thus has substance. Of what does it consist? Above all, that after six months Croatia can withdraw its present consent to the arrival of the peacekeeping forces.

It would have been far worse and more problematical for Croatia if the UN forces had come here a month or two ago than for them to come after 15 January. That is, it is not the same thing to come to one of the "Yugoslav administrative provinces and to a state that has been recognized by a number of important countries." As a recognized state, Croatia will have big problems establishing its system over its entire territory. Yet how would it be in the other case? In spite of what the Vance plan says about the necessity for departure of the JNA and in spite of the political optimism of the Croatian politicians, who foresee that the domestic Chetniks will leave together with the army, it could happen differently, that is, the army and some of the Serbs in uniform might not withdraw. That is, it is not to be believed that this will be done by large numbers of those who have invested everything to bring Serbia to Knin, Vukovar, Beli Manastir, Pakrac, Jasenovac, Petrinja, Slunj, Gracac.... They will hinder in every way extension of republic authority to those regions. The blue helmets will undoubtedly frustrate that intention. As soon as they leave, the Serbian militarists would perhaps again try to accomplish it, or at least hinder reestablishment of republic authority in every way.

The army on the Bosnian borders of Croatia and the belligerent segment of well-armed Serbs in the crisis areas will be a constant threat to Croatia. It even is possible that a Serbian guerrilla force with modern armament and training will be created and will use Bosnia as a strategic hinterland for its actions against Croatia. It seems a logical possibility, then, to retain a certain level of militarization of Croatia, something after the model of Israel. General Janko Bobetko, a man who is undoubtedly well-informed, talks about the necessary creation of Croatian antiguerrilla formations. At the same time, there is a political trap hidden here that every attempt of the Croatian state to operate against political terrorism not only coming from Serbian expansionists and anti-Croats, but also from certain malicious world political factors might be proclaimed not only "undemocratic," but even "fascist." A charmed political circle would be closed in that way: In order to function as a state, Croatia would have to operate against terrorism, and if it does so, it risks being proclaimed "anti-Serb" and "Ustashist."

Precisely the failure to remove this diabolical circle could be the principal source of Croatia's instability when the UN forces leave it. It is clear that they cannot stay in it. But their long stay, especially if they are responsible for maintaining the political status quo, could both postpone and also complicate extension of Croatian authority over the entire territory of Croatia.

Serbian Refusal of EC Recognition Criticized

92BA0393B Zagreb VJESNIK in Serbo-Croatian 13 Jan 92 p 2

[Article by Mirko Sajler: "A Buffer Zone Between Serbia and Croatia?"]

[Text] "We have had statehood since back in 1878, and it does not occur to us to seek any new international recognition from some Luxembourg or Liechtenstein." This statement was uttered in the last session of the Serbian National Assembly, in which certain unruly

delegates like Seselj and Paroski wanted to nullify the offer of the EC for international recognition of the republics of the former Yugoslavia which wish it. Other Serbian politicians also waved about the decisions of the Berlin Congress at which Serbia and Montenegro obtained statehood.

And while it is beneath the honor of "great" Serbia to seek international status from, as they put it, some kind of little European states, it is worth knowing what preceded the Berlin Congress and in what borders those two little Balkan states were recognized. When a rebellion was raised in Bosnia in 1877 against the Ottoman Empire, Serbia and Montenegro rushed to declare war on Turkey. But the Serbs, weak and unprepared, were defeated in just a few days and had to consent to a truce. At that point, Russia entered the war against Turkey, achieved significant military success, and Serbia broke the truce and again attacked Turkey. The Serbian Army cleared the groggy Turks out of Pirot, Nis, Leskovac, and Vranje. In the hopeless situation, the Turks sued Russia for peace, which was signed in 1877 in San Stefano. Serbia was at that time treated as though it had not taken part in the war at all. The signatories of the San Stefano peace ignored its existence.

Serbia in Four Districts

It was only the next year, 1878, that the Serbian protest bore fruit, and the San Stefano peace was revised. Serbia, which was then recognized as a state, extended its borders to four okrugs—Nis, Pirot, Leskovac, and Vranje. It was assumed that Bosnia would also belong to Serbia, but it remained within the Austro-Hungarian Empire.

So, right up until the Berlin Congress Serbia was a principality within the Belgrade Pashaluk. Its northern borders were the Sava and Danube, which means that the present Vojvodina was never part of Serbian territory before the Austro-Hungarian Empire fell apart. The Serbs could only have dreamed about Slavonia, Baranja, Banija, Kordun, Lika, and Knin Krajina. To be sure, in fleeing from the Turks, they had settled the fringe area of the Austro-Hungarian Monarchy, which used them as border area inhabitants in the Military Krajina to protect its borders against the assault of the Turks. As a nomadic people, the Serbs gladly moved from place to place and captured the territory which they are now appropriating and with the dirty war want to annex to some kind of "expanded Serbia."

Western expansion continued in the time of the Kingdom of Serbs, Croats, and Slovenes, and especially during the period of the Kingdom of Yugoslavia, in which the Serbs acquired the status of the dominant nationality. It was that status that made the Serbian migration possible. The most important positions in government departments, the army, and the police were held by Serbs. That legacy was carried over to the new title of Yugoslavia. And no one dared to touch it. He would immediately have been called a nationalist, an enemy of brotherhood and unity, achievements which artificially and by force were preserved for all of 45 years. That coercion disappeared with the first free elections in Croatia. That is why some Serbs in Croatia were afraid of the new democratic authority and of Croatia as a sovereign and independent state. In it, the Serbs would certainly not be threatened as a people, but there would be a threat to the privileges of individuals acquired not through their abilities, but thanks to their red party card and the legacy of a privileged nationality. They became suitable for manipulation of protagonists of Serbian expansionist and hegemonistic policy, and they fell into the network woven around Croatia that resulted in the dirty war now being waged on its territory.

How is that militarist Serbian expansion to which the Croatian people has fallen victim to be prevented? When we realize that Slavonia and Baranja, Kordun, Lika, Banija, and the Knin Krajina, where the "Serbian republic krajina" has been proclaimed, were never part of Serbia's territory, and that these Croatian regions never had borders with Serbia, then things ought to be quite simple and clear to everyone. Historical antagonisms between Serbs and Croats could be resolved by creating a buffer zone between the two republics—states so that they would not border on one another. This can be achieved simply through demilitarization of Vojvodina. Then Serbia and Croatia would not touch. Bosnia-Hercegovina has requested international recognition, and it can be expected that this republic will also soon become an independent state; then the so-called JNA [Yugoslav People's Army] would have to withdraw from its territory, which means that Croatia could not be attacked from the right bank of the Sava.

The Antiwar Movement Gaining Strength

There remains the question of Vojvodina. But even there there have been developments which clearly indicate that more and more people are condemning the present Serbian regime and are opposing the war being waged against Croatia. Advocates of autonomy are increasingly outspoken, and changes can be expected in that province. Should the demilitarization of Vojvodina occur, and Bosnia-Hercegovina acquire the status of a state, Croatia and Serbia would from a military standpoint no longer have a common border, and that could be the end of this horrible war.

Serbia will have a hard time consenting to this. After all, were it to happen, then its political borders would be reduced to the broadened territory of the Belgrade Pashaluk. In order to continue its expansion and conquest of Croatian territories, it needs Yugoslavia, its southern and eastern parts, if it is to reach the territories it would like to amputate.

The Trojan Horse

Nor could this be tolerated by the Serbian leader Slobodan Milosevic, who is only keeping himself in power thanks to the war. His government, which was marked by rallies and the so-called antibureaucratic revolution,

dealt Yugoslavia its death blow after it began to fall apart. When he insisted that Serbia become master of all "its territory," and for that reason Vojvodina and Kosovo lost the status of autonomous provinces, Yugoslavia for all practical purposes ceased to exist. In that initial era of Slobodan Milosevic, the emphasis was on Serbia. But in the second phase the leader changed his policy and began the battle to preserve Yugoslavia, behind which are concealed hegemonistic appetites with a single objective—to create an expanded Serbia on the ruins of Yugoslavia. It is that that caused the horrible war against Croatia, and the Serbs in Croatia have played the role of a "Trojan horse."

The Presumptuous "No"

It will be hard for the Serbs even when Croatia obtains international recognition and when UN peacekeeping forces reach the areas affected by the war. This is confirmed by the statement of Vojislav Seselj, the Chetnik leader, who follows the policy of Slobodan Milosevic at every turn. This eccentric politician said from the speaker's desk in the Serbian Assembly: "Back at the Berlin Congress, Serbia received its recognition as an international entity, the status that it brought into the Kingdom of Serbs, Croats, and Slovenes. The true heir of the Kingdom of Serbia was the Kingdom of Yugoslavia, and its heir in turn was Tito's Yugoslavia. And now the only correct thing is for its further heir to be the Republic of Serbia, because in all those creations only we contributed our statehood. So why should we now let some European Community determine what we are to do?"

And thus the Berlin Congress becomes the main argument for the determined and presumptuous Serbian "no" addressed to the European Community. The Serbian satellite, "great" Montenegro, also addressed that kind of "no" to the European statesmen. At the same time, neither the Serbian nor Montenegrin leaders say in what borders their republics are recognized. Just as always, both of them extract from the whole only what suits them at the moment. But it is difficult to believe that Europe, the United States, and the United Nations will understand or even accept that Serbian "model" for resolving the future of the states and peoples in southern Europe.

Macedonia

Prime Minister Says No Joining 'New Yugoslavia'

LD2401211192 Belgrade TANJUG in English 1803 GMT 24 Jan 92

[Text] Skopje, Jan 24 (TANJUG)—Macedonian Prime Minister Nikola Kljusev today said that his republic would not join other Yugoslav republics in "political talks and combinations" about the creation of "some new Yugoslavia."

Kjlusav told a news conference that Macedonia, as an independent subject, would work to establish relations with others only on a bilateral basis.

The Republic of Serbia on Tuesday invited Macedonia, Montenegro, and Bosnia-Hercegovina to talks on the continuity of Yugoslavia, feeling that it is not in the interest of those three republics to "break away from Yugoslavia and sever ties with it."

Macedonia on Wednesday decided to withdraw its members of the Yugoslav Foreign Secretariat's diplomatic and consular staff, and urged Yugoslav People's Army officers of Macedonian nationality to put themselves at the disposal of the Macedonian territorial defense.

The Macedonian parliament on Wednesday also adopted a decision under which Macedonia no longer has representatives in the Assembly of Yugoslavia and the Presidency of Yugoslavia.

Macedonia sought international recognition in December, but has so far been recognized only by Bulgaria.

The Conference on Yugoslavia Arbitration Commission has taken the stand that, of the four Yugoslav republics which have sought recognition from the European Community, only Slovenia and Macedonia meet the set conditions, and Bosnia-Hercegovina and Croatia do not.

The E.C., however, recognized Croatia and Slovenia on January 15.

Greece is against the recognition of Macedonia and insists that Macedonia change its name, which Athens feels clearly reflects territorial claims towards neighbouring Greece, i.e, its northern part, Aegean Macedonia.

Macedonian Prime Minister Kljusev told the news conference today that Macedonia had the greatest problems in its relations with Greece, a country which he said was introducing a blockade of Macedonia, stopping Macedonian trucks carrying medicaments and telecommunications equipment, and harrasing Macedonian citizens.

Answering a question put to him, Kljusev said that he had clearly told the Albanian foreign minister during their recent meeting that Macedonia would not recognize Kosovo as a republic and that that issue could not be linked to Albania's recognition of Macedonia.

Kosovo and Metohija is the southern province of the Yugoslav Republic of Serbia. It is predominantly populated by ethnic Albanians, who have the status of a national minority in Yugoslavia. Ethnic Albanians make up 21 percent of Macedonia's population.

Government Agrees To Set Up Republican Army

LD3001192692 Belgrade TANJUG in English 1748 GMT 30 Jan 92

[Text] Skopje, Jan 30 (TANJUG)—The government of the Yugoslav Republic of Macedonia today adopted a

draft law on the defence of the republic which provides for the creation of a national army, it was announced here today.

Macedonia is one of the four Yugoslav republics which have sought international recognition from the European Community. Macedonia, Bosnia-Herzegovina and the breakaway republics of Slovenia and Croatia refuse to send their conscripts to the Yugoslav People's Army.

The Belgrade daily POLITIKA on Monday quoted Macedonian Defence Minister Trajan Gocevski [saying] that "the Macedonian national army will number between 25,000 and 30,000 troops."

A statement released after today's session of the Macedonian Government says that if the republican assembly approves the bill, the Republic of Macedonia will have its own armed forces which will protect the territorial integrity and independence of the republic. The statement explains that Macedonia's armed forces will be composed of a standing and a reserve army.

Army Regiment Reportedly Withdrawing From Stip

AU3001115692 Skopje Radio Macedonia Network in Macedonian 2100 GMT 29 Jan 92

[Text] We have learned from Macedonian army officers that final preparations are being made in the 4 July barracks in Stip to remove the missile-artillery regiment with its entire equipment. We have also learned that preparations are being made to destroy some of the facilities that are being vacated.

Macedonian army officers have sent an appeal to some Macedonian media in which they ask the residents of Stip to support, take care of, and protect officers' families because of frequent provocations and threats by officers of Serbian nationality.

So far no official organ in the commune has said anything officially about the military facilities and warehouses being emptied and expensive weapons and equipment removed.

Appointment of Macedonian Ministers Debated

92BA0408A Skopje NOVA MAKEDONIJA in Macedonian 12 Jan 92 p 2

[Unattributed report: "Ministers Have Been Appointed, the Motion for Substitutes Has Been Withdrawn"]

[Text] After the four-hour-long additional consultations held by Prime Minister Nikola Klyusev with representatives of the parliamentary groups and, later, separate consultations among the members of parliament of the VMRO-DPMNE [Internal Macedonian Revolutionary Organization-Democratic Party for Macedonian National Unity], who did not agree with the suggested list of candidates for ministers and deputy ministers, on the evening of the day before yesterday, the Assembly opened the debates on each of the candidates. On the basis of the remarks made by Atso Spirovski of the VMRO-DPMNE to the effect that such issues call for more serious preparations, of Trajan Mitsevski of the same party, who asked that some of the positions of deputy ministers or ministerial secretaries go to people from Bitola and not to people on or around Stip or to Skopje professors, and of those by Hamid Aliu of the PDP [Party for Democratic Prosperity], who called for appointing more Albanians to such positions, the representatives appointed the three ministers. National Defense Minister Trajan Gocevski was elected with 63 votes for, 29 against, and two abstentions; Minister of Internal Affairs Ljubomir Frckovski was elected with 61 votes for, 30 against, and five abstentions; Minister of Education and Physical Culture Dimitar Bajaldziev was elected with 63 votes for, 30 against, and two abstentions. The representatives of the VMRO-DPMNE did not vote for the three ministers.

The selection of deputy ministers was more difficult. Although Prime Minister Kljusev stated that such people were necessary, considering the extensive and difficult work that was facing the Assembly, the first candidate, Nenad Jovanovski, was not appointed deputy minister of internal affairs. Additional discussions were requested about the candidate for deputy minister of finance, Shaban Prevala, because he had been nominated for the new function, although he was already head of a very important commission in the Assembly. This caused a reaction on the part of Nikola Kljusev, who, pointing out that the representatives of the parties were not present at the consultations, withdrew the entire list of candidates for deputies, thus postponing their nomination for a future meeting.

Montenegro

National Party Against Referendum

LD3001232692 Belgrade TANJUG Domestic Service in Serbo-Croatian 1828 GMT 30 Jan 92

[Excerpt] Titograd, 30 Jan (TANJUG)—The National Party believes that the holding of a referendum in Montenegro is not going to help the solution of the Yugoslav drama and that, on the contrary, it will complicate it, because it means a lack of confidence in the state of Yugoslavia, which still exists.

This was emphasized today by party leaders at a news conference at which they pointed out that there was no good reason for holding a referendum in Montenegro in the present situation .

Dr. Novak Kilibarda, party president, assessed that the launching of the referendum "pursues the path of The Hague decision by the Montenegro president to attain the same choice which he had made." Furthermore, he said, the lifting of the economic embargo on Montenegro shows that the ambiguous Montenegrin policy is appreciated among those forces which have had the lion's share in the destruction of Yugoslavia. [passage omitted]

Serbia

Serbian Police Kill Three Albanians in Kosovo

LD3101115192 Zagreb Radio Croatia Network in Serbo-Croatian 1100 GMT 31 Jan 92

[Text] Serbian police killed three Albanians in the village of (Ukca), near Istok, in Kosovo this morning, in front of a private house in which tuition in Albanian was taking place for primary school pupils. In this municipality the occupying authorities are banning teaching in Albanian in the schools. The village of (Ukca) has been surrounded by strong police forces, and no one can enter or leave the village.

Dr. Fehmi Agani, vice president of the Democratic Alliance of Kosovo, stated at a news conference that the Serbian authorities are demanding that the Albanian political opposition change the way in which it operates.

Two Mig-23 Planes Trucked Through Belgrade

AU3001121492 Belgrade VREME in Serbo-Croatian 27 Jan 92 p 17

[Unattributed report "Weapon"]

[Text] Two dismantled aircraft were transported by military trucks through the very center of Belgrade last week. They were Soviet-made MiG-23 fighter-bombers [lovac bombarder], painted in winter desert camouflage colors. After a brief study, military experts confirmed that the planes were obviously secondhand and that they had possibly arrived either from Libya or from Iraq. There was also the possibility that the planes had perhaps been sent to a desert country and then rerouted and sent here. Military authorities refused to comment on this event.

Tudjman Reportedly 'Playing Up' to al-Qadhdhafi

LD3001134492 Belgrade TANJUG in English 1202 GMT 30 Jan 92

[Text] Belgrade, January 30 (TANJUG)—President of the secessionist Yugoslav Republic of Croatia Franjo Tudjman "was skillfully playing up to the convictions and vanity of Libyan leader Mu'ammar al-Qadhdhafi, all aimed at securing Croatia's recognition of independence by Libya and possibly some other Arab countries," writes Belgrade daily POLITIKA EKSPRES on Thursday. The paper cites the example of the recent visit to Libya of a delegation of the university and the publishing houses from Croatia.

Director of the Zagreb-based center for the studying of the "third universal theory" of Col. al-Qadhdhafi—the paper says—had handed to the Libyan leader a personal gift from President Tudjman, a valuable figurine from ancient Salona (Solin), a town on the Croatian Adriatic coast. Representative of the Islamic Center in Zagreb presented al- Qadhdhafi with a music cassette with Croatian songs and compositions devoted to the leader of the "green revolution", Col. al-Qadhdhafi, the paper writes.

"It seems that after the song 'Danke, Deutschland' the Croatian top list received another song 'Shukran, al-Qadhdhafi' (Thank You, al-Qadhdhafi)", the paper notes. As a token of gratefulness to Germany for recognizing Croatia, the cassette with the song "Danke, Deutschland" appeared, and is being broadcast daily on Croatian Television and Radio.

The daily notes that foreign reporters in Libya believe that this playing up to al-Qadhdhafi shows best Croatia's gratefulness for the "solidarity and aid Libya extended to the Croatian people in its struggle for independence and separate entity."

On the basis of reports on Libyan Television on the meeting of the Croatian delegation with al-Qadhdhafi, the paper concludes that the Libyan leader "in this way showed he was prepared to enter 'normalization' of relations with the West, through the very support to the 'revolutionary demands of the oppressed nations in the new world order.'"

Milosevic on Measures To Stabilize Economy

LD2801172592 Belgrade TANJUG in English 1641 GMT 28 Jan 92

[Text] Belgrade, January 28 (TANJUG)—Serbian President Slobodan Milosevic and the republic's political leadership today announced measures for stabilizing the economy and the social welfare policy in the Yugoslav Republic of Serbia.

The measures were announced at Milosevic's meeting with president of the Serbian parliament Aleksandar Bakocevic and republican Premier Radoman Bozovic. One of the measures is to implement a programme for reducing the republic's administrative apparatus by between 30 and 40 percent.

The Serbian government will stabilize the prices of basic food products by intervening on the market from its own reserves, and all social benefits which have so far been subject to delay will be paid out regularly as of February, says a statement issued after the meeting.

The work of Serbia's new government, which came into office last December, was assessed positively at today's meeting of the republic's political leadership. Satisfaction was expressed with the government's "successful moves of vital importance for the citizens."

Socialist Party Member Favors Federation

AU3001103492 Sarajevo Radio Sarajevo Network in Serbo-Croatian 2100 GMT 29 Jan 92

[Text] Serbia will insist on the continuity of Yugoslavia in the form of a federation of Serbia and Montenegro. This was stated by Vladimir Stambuk, member of the leadership of

the Socialist Party of Serbia, for Belgrade Radio today. He holds the view that Bosnia-Hercegovina will also be interested in such a community, because the Muslims cannot be a nation outside Yugoslavia. Macedonia, too, will be interested in joining Yugoslavia for economic and political interests. According to Stambuk, it is necessary to insist on Yugoslavia's continuity in order to retain the privileges based on membership in the United Nations and many other international organizations.

Slovenia

Peterle on German Assistance, U.S. Talks

LD2901113292 Belgrade TANJUG Domestic Service in Serbo-Croatian 1425 GMT 28 Jan 92

[Text] Ljubljana, 28 Jan (TANJUG)—Germany is ready to help Slovenia wherever it can, Lojze Peterle president of the Slovenian Government, said at a news conference today, citing remarks by German Chancellor Helmut Kohl during yesterday's talks in Bonn.

Peterle stressed that an agreement was reached for a German Government economic delegation to visit Slovenia at the beginning of next month. Its aim is to evaluate all the projects offered by Slovenia, so that specific assistance for certain projects might be expected shortly.

According to the Slovenian premier, Chancellor Kohl accepted with pleasure an invitation to visit Slovenia, which he will do as soon as his schedule allows it. Peterle claims that Kohl also assessed favorably the possibilities for Slovenia to overcome the economic crisis from which it is now suffering.

Peterle also told journalists about his talk today with U.S. Ambassador in Yugoslavia Warren Zimmermann. He was primarily interested, Peterle said, in the economic aspect of the future development of Slovenia. Peterle said that he informed Zimmermann about the detrimental consequences of the sanctions which the United States has introduced against Slovenia, primarily the warning that visiting the republic is risky. Zimmermann expressed the hope that these and other problems will soon be solved.

Comments on Dispute With Rupel

LD3001134892 Prague Stanice Ceskoslovensko Radio Network in Czech 1100 GMT 30 Jan 92

[Interview with Slovene Prime Minister Lojze Peterle by correspondent Jitka Obzinova in Ljubljana; date not given; Peterle speaks in Slovene with superimposed Czech translation—recorded]

[Excerpts] [Peterle] The dispute between Slovene Prime Minister Lojze Peterle and [Slovene] Foreign Minister Dimitrij Rupel, which could result in the resignation of the foreign minister, has seeminly opened a Pandora's box of fresh domestic political problems. [passage omitted]

[Obzinova] I was interested in knowing if the functioning of the government, burdened by so many tasks, was not negatively influenced by the fact that the ministers are members of various political parties. Mr. Premier answered:

[Peterle] At present we find ourselves in a special situation, because one party has left the coalition, and despite the fact that its ministers remained in the government, they are demanding that this party is granted advantages enjoyed by an opposition party. Our parliament is still Socialist, and the minority is capable of dictating to the majority. This is a political inversion and we'll have to go into the election with this inversion. The assembly keeps blocking new legislation, and this is the handicap of the present time. [passage omitted]

[Obzinova] My last question to the Slovene Premier concerned his disputes with the foreign minister, which are highlighted on a daily basis by local press and by radio and television. Premier Peterle answered:

[Peterle] I have problems with the minister of foreign affairs and I've submitted several proposals to have him replaced. The coalition has not allowed this, however, because there is allegedly no sense in replacing this minister before the new election, never mind the mistakes he has made. But I do not think that our new relations with Europe would be have been destabilized had he been replaced. On the contrary, it could strenghten them, and we could make faster headway.

Discusses Demos, Possible Successors

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[Interview with Slovene Prime Minister Lojze Peterle by Marjan Lacic; place and date not given: "We Did Not Make Major Mistakes"—first paragraph is DNEVNIK introduction]

[Text] Formally, it is not possible to discipline ministers, and the prime minister naturally gets the demerits.

Ljubljana, 18 Jan—Slovene Prime Minister Lojze Peterle, recently a very controversial political figure, is certainly the center of attention for the Slovene public these days. After the (un)successful agreement of the Demos parties in Dolsko and after the adoption of the new Constitution, the temperature in parliament has risen, and overnight, a flock of possible candidates for the prime minister's successor have appeared. This was the occasion for an interview with the prime minister, but it obviously does not upset Lojze Peterle too much. A short while ago the government also adopting a program for functioning until the elections, but the question is whether it will even be able to implement it in the increasingly more divided parliament.

[Lacic] The number of your possible successors in the position of prime minister is larger from day to day. It

seems that Dr. Janez Drnovsek is becoming the most serious candidate for a new prime minister. How do you view this?

[Peterle] First of all, I would state what I have recently repeated several times: The more prime ministers there are, the stronger the government! I think that every potential prime minister has the same problems that Igor Bavcar has already had first. That is why I would advise everyone to count his votes accurately. It is clear to me, of course, that the common denominator of many parties is opposition to Christian Democracy, and of course also to the person who is heading the government, since the coalition has proven to be successful and will now be even more successful.

Janez Drnovsek certainly has the qualities for a prime minister, but it depends on him how he judges whether the conditions are really favorable for him to take over the helm of the government in just a few months

[Lacic] Questions like this are also being heard among the public: Is it even advisable for anyone else to take over the government in your place now, because the government's term is expiring anyway?

[Peterle] I think that from several standpoints it is not advisable. If it is just a matter of a few months—all the parties have supported elections as soon as possible—then there is no sense in creating confusion by replacing the government at all costs. In view of the experience that I have, getting a government team to function well in a short time is very demanding work. A completely new government team would thus also mean major upheavals. If they are thinking of working with the old one, however, then I do not see any reason to change anything. At the same time, people abroad would also look at us strangely if we stirred up the political scene immediately after recognition and replaced the government when it is precisely now that it most needs to start to work. There are also other reasons why the government should not be changed, unless it is also being blamed for something that it is not responsible for (for instance, monetary policy).

Reconstruction Is Necessary

[Lacic] In a DNEVNIK interview a good year ago, you mentioned a possible reconstruction of the government—if Demos agreed to it—which then never took place. How do you view that problem today?

[Peterle] Essentially the situation has not changed, in the sense of the parties having different standards. Several parties think that I ought to criticize one minister from each party, if I want to criticize anyone. To be sure, I would like to conduct a certain reconstruction of the government, but my hands are tied in this respect. The work of the government could certainly be improved, but I also hope to continue with the present team.

We will see what the talks with the coalition will bring, although the Democrats have gone their own way, which certainly makes the situation more difficult. If they were to remain as a minority coalition, then of course every new appointment would be particularly difficult. Anything can happen in parliament. I am not inclined toward steps that would take too much energy from me, and whose outcome would be unclear.

I Would Rather Choose the Ministers Myself

[Lacic] Would you now choose the ministers in the same way as you did at the beginning of your term?

[Peterle] I am convinced that I would now choose certain ones differently. It is necessary to take into account the fact that during the concluding phase I had relatively very few possibilities, since coercion was already taking place. I should probably also have given the ministers something to sign then, when they assumed their posts. I have learned something during the past year and a half as prime minister. In fact, only two approaches are possible: either the prime minister has great authority in putting together a government, or the parties divide up the ministries, as in Austria, for instance, and the parties are to blame for the failure of their own ministers. If I am ever allowed to, I would rather take ministers of my own choice.

[Lacic] You very frequently criticize Minister Rupel. How, for instance, do you assess Minister Bavcar, who is a possible successor of yours, and Minister Jansa, who already proposed some time ago that Bavcar should become the prime minister?

[Peterle] For now, I cannot criticize those two ministers too much with respect to their professionalism and expertise, without its also meaning a demand for their resignation. Of course, the purchase of automobiles is another matter, in which things have gone too far. Nevertheless, I do not have major criticisms of their expertise, and I naturally separate professional and political criticism. As prime minister, I have to be interested only in the effectiveness of individual ministers.

Government's Mistakes

[Lacic] Which were your government's biggest mistakes? Some people have criticized you most for being passive in the economic area, and others claim in turn that in the extremely difficult circumstances, you could not have done much more.

[Peterle] It is particularly awkward for me to talk about mistakes, and about successes as well. I think that we have not made any major mistakes. With respect to the economy, our policy has always been an ongoing adjustment and response to problems. As long as we did not have control of all the instruments, it could not have been any different, although we did, for instance, introduce export incentives, when "Markovic's" exchange rate was too low. Now, when it is clear what is happening with Slovenia and Yugoslavia, when we have established good roads toward the east, we can also make more long-term plans.

I do not know what I could recall as mistakes. Certainly, a person supports all sorts of things, and then does not succeed because even those who are supposed to be his partners do not cooperate in it. The final result is negative, and we can also call that a mistake. Well, possibly I can only recall a few mistakes. In the past, we have not always been successful in horizontal and vertical coordination and verification of the solutions that we have offered with laws and decisions.

[Lacic] It has been particularly apparent recently that individual ministers and even ministries are not acting as part of the same team.

[Peterle] I would call it disobedience, and not poor coordination. If a minister does not adhere to the government's decisions and does not call coordination meetings, it is a question of loyalty and professional manners. That is why I have also said that it seems normal to me that ministers from a party that does not support the government would leave the government. Those gentlemen would still like to be both inside and outside at the same time. On many occasions I have demanded a certain action, but the ministers acted on their own. Under the present rules, I do not have any possibility of being able to influence them; perhaps I could only lower their salaries to some extent. Formally, I do not have any possibility of disciplining the ministers; and in the end, I hear criticisms myself.

Crisis of Effectiveness

[Lacic] What do you think about the theories that the crisis in the government's effectiveness is a result of the parliament's crisis, and that one is a result of the Demos crisis?

[Peterle] The former is undoubtedly true, and the parliament's crisis is partly a consequence of the Demos crisis, and partly a consequence of the fact that the socialist model of behavior is continuing in the parliament, in spite of all the changes.

[Lacic] The opposition also frequently criticizes your government for being tied too much to Demos and too little to the parliament as a whole, even though, at least in the beginning, it had the support of the entire Assembly.

[Peterle] In parliamentary democracies, the rules are such that the government is responsible to the coalition that appointed it, even though that government may have a majority by one vote. No one wonders there whose government it is, and the parliament functions as it functions. Here, you would obviously have to argue in favor of why you have authority. This government was confirmed by the parliament, and is tied to it; and it was proposed by the coalition, so there is nothing wrong in saying that it is Demos's government. The government is working like any ordinary coalition government.

[Lacic] There are also criticisms that as prime minister, you have represented your own party too much.

[Peterle] I think that the whole time, we Christian Democrats have clearly given priority to the Demos program, which has still not been completely implemented. We have rarely advocated positions that are completely our own, and no one from our party has said that he will resign because our positions have not been adopted, as others have done. As prime minister, I have fully utilized all party possibilities for promoting Slovenia abroad, and I think that it is right that I have done so.

[Lacic] Was Demos necessary and useful?

[Peterle] Demos was necessary. It was demonstrated that we acted correctly. The only harmful thing is that one of the parties caused a premature separation, since I like to complete work that has been started. Demos has not done what it planned, especially with respect to privatization. It would have been better if they had held out until the end and agreed in consultation that it was time only for party matters. The rest of us, however, are continuing to work, whether we call it Demos or not. Certainly, I have always considered Demos a coalition for some transitional period, although it still seems very natural to me for the former Demos parties to remain together. I am convinced that in the future elections, the center of Slovene politics will be a right-center one, and that this option has more long-term possibilities. We Christian Democrats will establish ties with those who deserve trust. We will seek coalition partners primarily in the former Demos, although the former opposition is also not so homogeneous that we could not find some partner.

Politician, or Perhaps a Teacher

[Lacic] How will you take it if there is a constructive vote of no confidence in you in parliament, which is possible under the new Constitution?

[Peterle] It is possible, of course, but at the same time, if not earlier, they have to elect a new prime minister. I would take note of that fact with amazement, since I think that there is little possibility of anything like that, unless very unprincipled coalitions are elected in the common struggle against Christian Democracy. If I view it from a completely personal standpoint, then I would finally have an opportunity to take care of my teeth, my family, and my personal affairs. I could also devote myself more to preparations for the future elections. I would certainly not expire from regret.

[Lacic] Does that mean that you are staying in politics in any case?

[Peterle] I have gained some happiness with this job, and I think that I could still do a great deal in politics; but I can also easily imagine engaging in some other profession. I have thought several times that it would be very nice to be a teacher of geography and history at some good, elite secondary school.